Prez Democrats Hit the California Cash Machine

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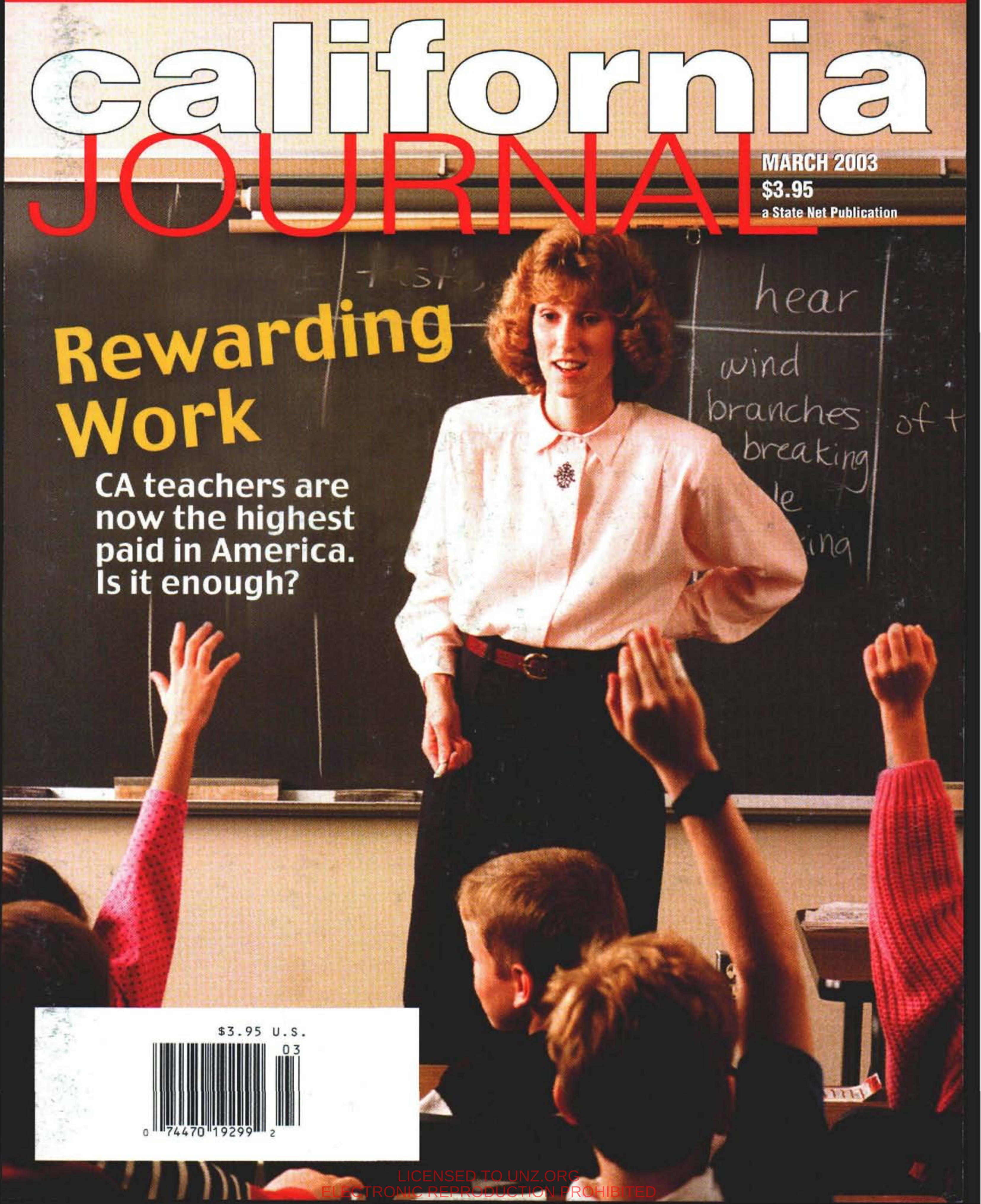
Rewarding Work

CA teachers are now the highest paid in America. Is it enough?



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from the editor

Sticks and carrots

By David Lesher

Many of the most profound changes in California's education system recently involve the teaching profession. Training programs have geared up to improve teacher quality; evaluations of teacher performance are more aggressive, and new rules detail almost every hour of classroom instruction. At the same time, we now see that California has increased the average teacher salary to the highest level in the nation. It appears to be the carrot in a profession that is seeing many new sticks. In this issue, *California Journal* looks at whether teacher salary is enough to attract the kind of people needed to prepare our next generation. We also look at a controversial education experiment underway in San Diego that is attempting to build a national model for the administration of school districts. And we look to the gathering in March of California Democrats, who will host an early look at party's White House contenders in 2004.

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Top of the Heap

For years, teachers' pay in California lagged compared to the rest of the country. But now, after years of work by the California Teachers Association, the state's teachers are the highest paid anywhere. But at what price?
By Lynda Gledhill

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Private Money in Public Schools

In 2000, San Diego Unified School District embarked on a controversial plan to improve its schools, but it needed $20 million in private money to do it. The district got the money and also a few headaches in implementing the changes.
By Chris Moran

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Train to Nowhere

Eleven years ago, California bought the troubled Northwestern Pacific Railroad in hopes of bringing economic security to the North Coast. Now, the railroad lies unused and California faces a decision to pump more money into it or to abandon it at a price.
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Simon Says

Salinas Democrat Simon Salinas chairs the Assembly Local Government Committee, which puts him in position to hear the outcry from local officials about this year's budget. Salinas says he's listening.
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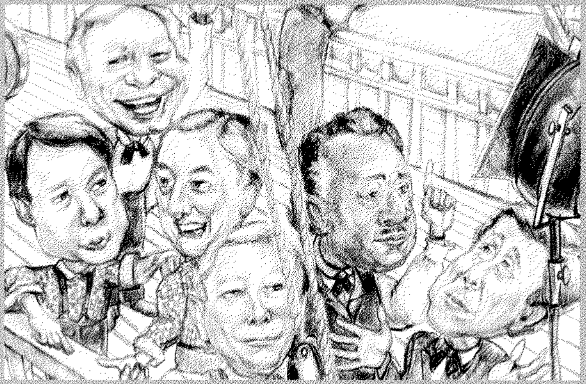
Dems follow the money

The battle for California campaign cash begins. Already, the 2004 Democratic presidential hopefuls are trolling the Golden State seeking a leg up in the March 2004 primaries.
By Beth Fouhy



umbrage

Silence of the Dems.

There is one big difference between the latest drive to oust Gov. Gray Davis and the routine kind of recall threats that are easily dismissed — it's the silence of the Democrats. *California Journal* queried four of the Democrats who seem interested in running for the office in the next election — Lt. Gov. Cruz Bustamante, Atty. Gen. Bill Lockyer, Treasurer Phil Angelides and Controller Steve Westly — and only one — Westly — would rule out a challenge to Davis if the recall reaches the ballot. "At this point, he has no interest," said a spokesman for Angelides. "If it does [qualify], I don't know ... we haven't gotten to that point," said Bustamante's aide. "At this point, we're [saying] that we don't want it to qualify," said a Lockyer assistant. As for Westly: "Yes, I would rule it out," he told *California Journal.* Any political watcher can read the weakness in Davis' standing by the three non-responses from statewide Democratic officers. If the governor were strong and the recall *was* impossible, it would be political courtesy and even lucrative to cover the governor's back and make clear that it's ridiculous to think they would assist in throwing out Davis. Instead, state Democratic Party Chairman Art Torres was forced to try to keep his party in line with warnings to Democrats like this: "To participate in it would be a death knell on their future ambitions." Clearly, future ambitions are what this one is all about.

Recall timeline

Notice of intention to recall was filed Feb. 5th.

Days from filing:

7	Governor provides written response.
10	Proponents submit proposed format for signature petition
10	Sec. of state approves or rejects petition form (If rejected, proponents have 10 days to correct. The process continues until no corrections are needed).
160	Proponents have 160 days to gather 897,158 signatures. •Counties report signature count every 30 days. •Sec. of state has 10 days to certify signatures after they're received.
60 to 80	Less than 80 days and more than 60 days after the required number of signatures are certified, the lieutenant governor will schedule an election.
59	At least 59 days prior to the election, candidates interested in appearing on the ballot must file their applications.

Door open, door closed

Budgets and demographics have created some profound challenges for the California State University system recently. Even CSU Chancellor Charles Reed told reporters that some of the financial navigation is "a high risk plan." In all, the university has decided to try to raise its academic standards at the same time it increases access for students and cuts its budget. The goals are all critical, but not necessarily compliementary. The higher standards were underscored earlier this month when the state university announced that 8.2% of its freshmen class flunked out last year for failing to master basic English or math skills. The dismissals, up from 6.7% the year before and 5.1% in 1998, were attributed to a harder line on the students who are given a year of remedial classes to improve their skills before they are released. Meanwhile, university officials also announced plans to increase enrollment by 25,000 and to cut the overall budget by 10%. The growth is necessary to continue the same access to a university education for a larger population. Combined with $326 million in cuts proposed by the governor, Reed said it is likely to mean the student-to-faculty ratio will grow, libraries and computers will not be updated, repairs will not be made and positions will be frozen. If the cuts are more or they continue in future years, Reed said his plan may fail.

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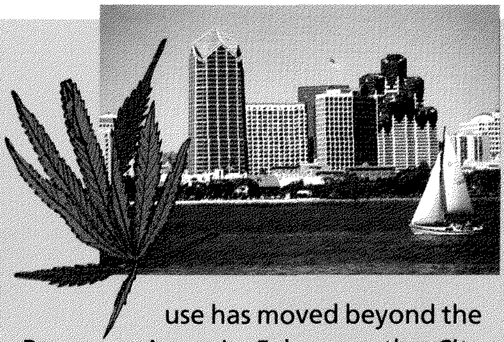
Health:

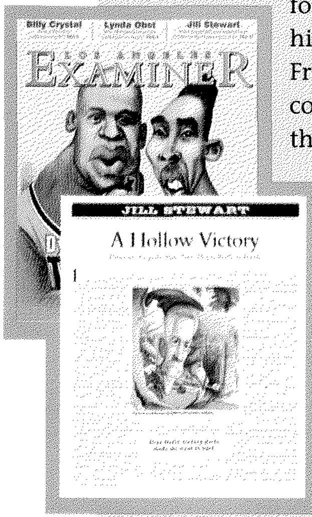
San Diego smoke signals



Is San Diego a good example of "solid middle America?" That's the view of attorneys for the National Organization for the Reform of Marijuana Laws. And it shows, they say, that their effort to decriminalize marijuana for medicinal use has moved beyond the liberal bastions in Santa Cruz, Mendocino and the Bay Area. In February, the City Council in this famously conservative Navy town voted 6-to-3 in favor of those who offered emotional appeals about how marijuana helps them cope with AIDS, cancer and other painful conditions. The vote would implement a ballot initiative that California voters passed in 1996. But it also conflicts with federal law, which treats marijuana and heroin equally. Now, Attorney General Bill Lockyer and others are hoping the feds will be pressured to rule on whether states have the right to regulate marijuana.

Media:

Riordan gets a bully pulpit



Shortly after California GOP primary voters sent Richard Riordan packing in March 2002, the former Los Angeles mayor turned his gaze to the newspaper business. Frustrated by the *Los Angeles Times'* coverage of LA — he told the *Times* the paper has a "death wish" for the city — Riordan hatched the idea for his very own weekly paper, the *Los Angeles Examiner*. Over the past year, the ex-mayor/venture capitalist assembled an editorial team that wrote and designed a prototype issue — with stories by comedian Billy Crystal, former *New Times LA* columnist Jill Stewart and ex-*LA Times* city editor Bill Boyarsky among others — that went to prospective advertisers and investors in January. Riordan isn't quite done with politics: The first issue features a column blasting Gov. Gray Davis.

Regulation:

Loading up the trucks

In 1937, California made the mighty redwood the state tree — a living testament to the sheer size and scope of the nation's most populous state. In the years since, lawmakers have made it increasingly hard to cut the buggers down, which has infuriated timber interests to no end — until now. Fed up with California's regulatory environment, Soper-Wheeler Co., a Strawberry Valley, Calif. timber firm, has arranged to send 150,000 of its cloned seedlings to its plantation in New Zealand, where they will be planted, grown and harvested over the next 35 years. It expected that the trees will be much bigger than their California counterparts — thanks to the down-under climate and all that genetic engineering.

Pajama Voting

A few stats on former Assemblyman Bill Campbell's special election victory Jan. 28 to the Orange County Board of Supervisors:

Absentee ballots	69%
Election Day ballots	31%
Turnout	13%
Winning margin	75%

Quotables.....

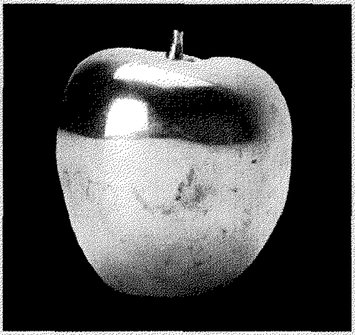
"These rating actions reflect ... the expectation the state will not be able to sufficiently address the imbalance in the upcoming fiscal year given the inherent obstacles to reaching consensus on solutions to the problem."

— Ray Murphy, vice president for Moody's Investors Service in New York, in downgrading California's credit rating from "stable" to "negative." Feb. 11, 2003

Teaching pays

California now has the highest-paid teachers in the nation. There is still debate about whether they are adequately rewarded for a job as critical as preparing our next generation. But unlike before, salaries are no longer at the top of the teacher priority list.

By Lynda Gledhill

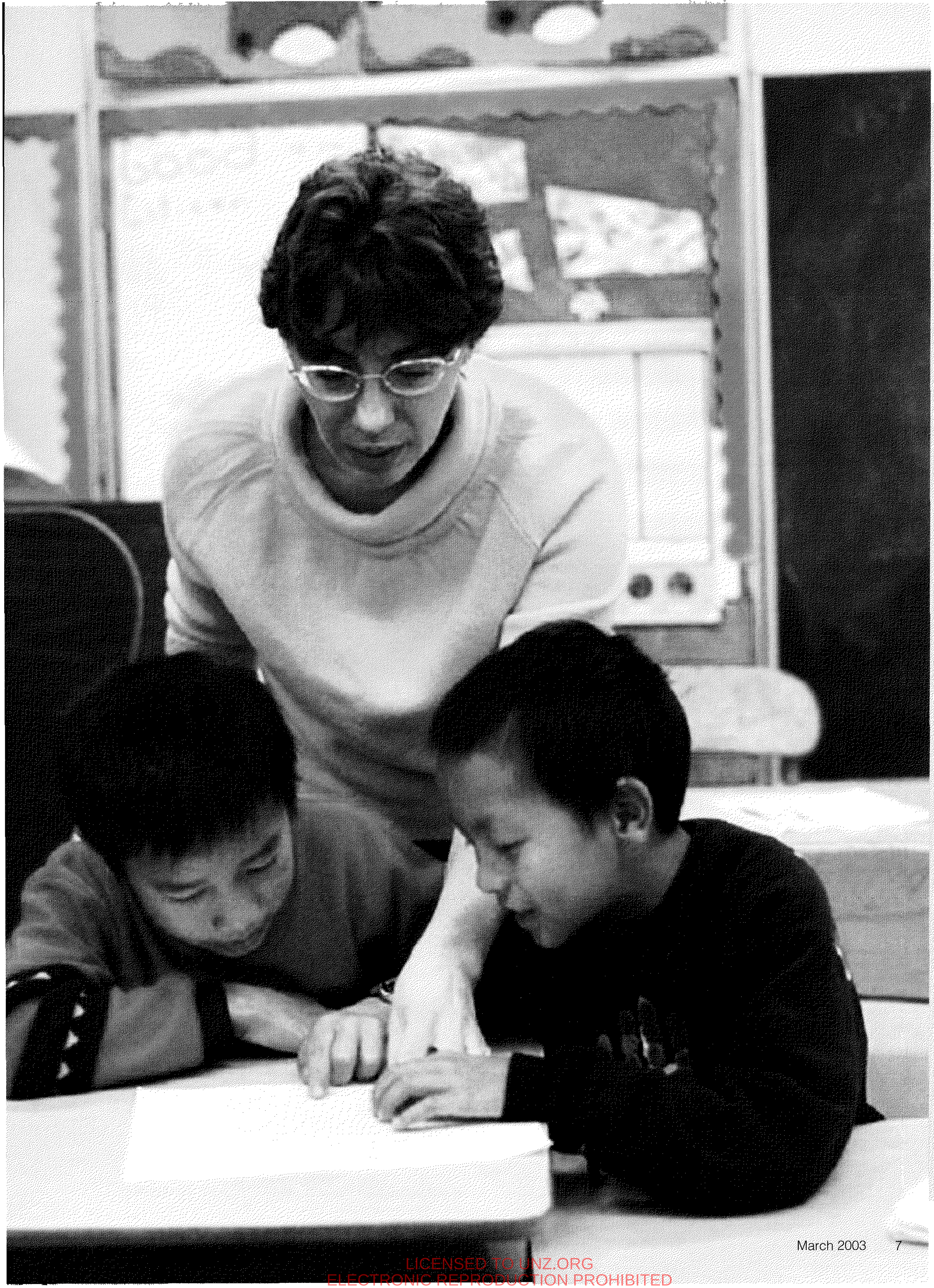


California's teachers have reached a remarkable milestone — now standing first in the nation in pay and earning more than $9,000 above the national average.

Salary has increased so much in recent years that it is no longer the top reason that teachers quit the profession, said Wayne Johnson, president of the California Teacher's Association. Now, salary ranks fifth or sixth on the list of grievances behind issues such as teacher input on school policy and concerns over mandatory student testing.

The salary level is good news, according to those in the education community, showing that California has come a long way in giving teachers the recognition — and compensation — they deserve. It also reflects the combination in recent years of a powerful teachers union, a strong Democratic majority in the Legislature and a budget that has seen several years of record surplus. Still, teachers and their representatives believe today's salaries are still too low. And they worry that teacher pay might fall behind again as lawmakers try to resolve this year's state budget crisis.

California's latest U.S. ranking was reported last November by the National Education Association, a Washington-based advocacy group representing educators, school administrators and teachers. Its 2002 study put the average California teacher's salary at $53,870. Teacher pay is set by local districts, so the national finding is an estimate based on a survey and other means to calculate an average for each state. Official salary figures lag several years behind.



California teachers in 2002 earned slightly more than those in Connecticut, which had previously been number one in the country. The report also indicated that annual pay for California teachers is about $15,000 higher than it was in 1990 and about $10,400 higher than in 1997, when the state ranked 9th on the national survey.

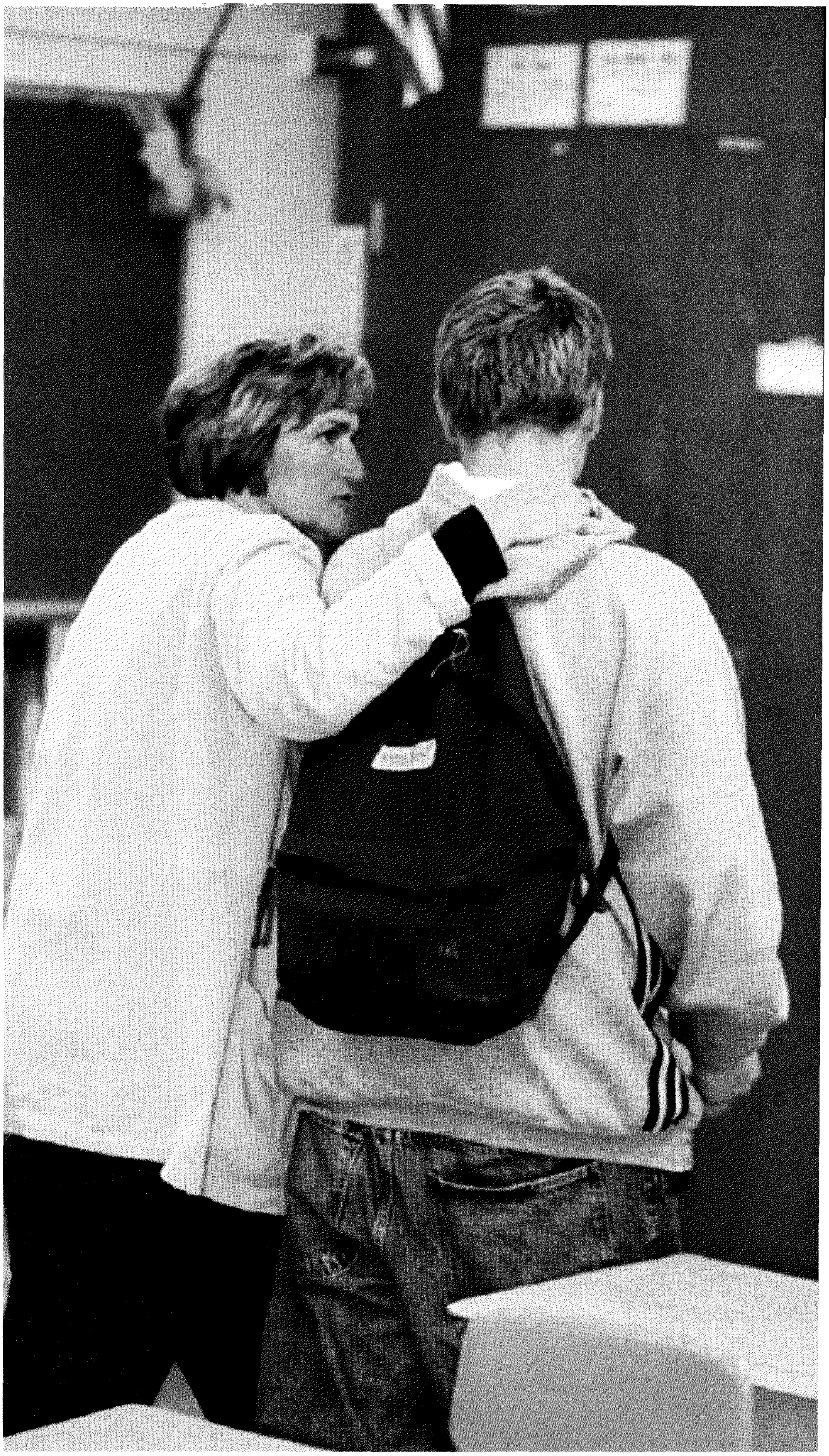
California's major jump came between 2000 and 2001, when the average salary grew nearly $5,000 in just one year. Teacher advocates say, however, that the jump was long overdue because the average annual raise in previous years was roughly $1,000 or about 2 percent.

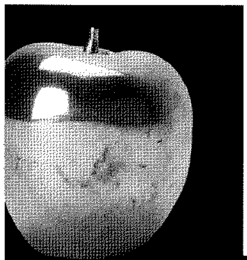
California's recent salary increases also contrast with national trends. The average teacher raise last year in the U.S. was just 2.7 percent. The average teacher salary nationwide in 2002 was $44,499 per year, according to the NEA report, with 36 states below that amount.

"Every state has a different set of challenges, but the common denominator is that teacher salaries have remained stagnant [nationally] in the past few years," said Dan Kauffman, a spokesman for the NEA.

Labor unions representing teachers have also tracked California's increasing rank nationally. Like NEA, the American Federation of Teachers placed California second in the nation, behind Connecticut, in 2001. The AFT report put California's 2001 salary at $52,480.

Union leaders say, however, that it's important to consider California salaries in context with the state's





high cost of living. In the AFT report, when adjustments are made for living expenses, California's national rank in 2001 dropped to 16. Teacher advocates also worry that recent gains in salary could be lost if the impact of the current budget crisis is similar to the experience in the early 1990s.

> **"My plumber makes more than $55,000. The electrician makes twice as much as $55,000. And he does not inspire or involve my children in any way."**
> **— Jackie Goldberg**

Jackie Goldberg

At that time, state budget shortfalls forced school districts to cut back or freeze their spending, leading to several years with little or no pay increases. By the middle of the decade, deteriorating school conditions helped make education the top campaign issue in the state. It is one reason Governor Gray Davis said in 1998 that "education, education and education" would be his first three priorities.

When Davis took office in 1999, the state budget was flush with multibillion dollar surpluses that provided money to grease the education wheels. The main improvement came in 2000, when lawmakers approved a bill by then-Senator Jack O'Connell (D-San Luis Obispo) encouraging local districts to raise the beginning salary for credentialed teachers to $34,000 annually. Although salaries are set by local school districts they depend on funding provided by the state.

"People had a long-standing commitment that when the money came back, the salaries would go up," said Mary Bergen, president of the California Federation of Teachers. "The increases were so low or nonexistent for so long when there wasn't the money."

The districts negotiated the raises with the understanding that it had been years since there was a major increase and that good, qualified teachers were in short supply, said Bob Wells, executive director of the Association of California School Administrators.

"You need teachers to be paid well enough so that the best and brightest will give consideration to the profession," he said. "In the mid-'90s, being a teacher wouldn't survive the giggle test."

O'Connell, who was recently elected state superintendent of public instruction, is among those who worries about the future of teacher salaries. He believes his 2000 bill did not do enough, in part because salaries have not seen an increase other than for cost of living since then.

"We need to compensate our teachers commensurate with what they are worth," he said. He also agrees that salary is not the only area concerning teachers that needs to be changed.

"We need to say we support and respect and trust teachers," he said, suggesting input on school curriculum as just one area of possible improvement.

Kevin Gordon, executive director of the California Association of School Business Officials, also believes teacher salaries should be higher than they are, if salary is considered a measure of worth. But he said the teacher union's singular focus on pay may be to the detriment of a good working environment.

"You can't really expect to be better than first in the nation," he said. "That doesn't mean we should be willing to let the ranking slip. But maybe we should bring up our ranking in other areas. I don't think that means a trade-off."

He cites areas such as libraries and computers, where California has had to cut back at times, in part to continue to pay teachers.

"Just as getting talented people into the profession has been one area we have focused on, other things can be just as important to teachers," Gordon said. "Such as, what is the environment like, are teachers safe? Do we have adequate supplies? We need to focus on those things, too."

California has also increased its national rank on the highly-watched category of spending per student. During the mid-1990s, it ranked near the bottom nationally. Today, the NEA study shows that California still falls below the national average on expenditures per pupil, where it is ranked 29. According to the NEA, the state spends only $6,816 per pupil, compared with a national average of $7,463.

While questioning exactly how the numbers are put together, the state does lag in the middle of the pack on this measurement, said Ann Bancroft, a spokeswoman for Secretary of Education Kerry Mazzoni. But she points out that the numbers have to be taken as a whole. "Teacher salary is part of spending for kids," she said.

But other programs suffer when all available money has to be funneled into teacher salary contracts, Gordon said. "While teacher salaries are climbing, the rest of the system is getting starved," he said. "I would like to see there be a better balance."

Despite the improvement in California salaries, the issue is still a sensitive one for teachers. Perhaps it is the legacy of being underpaid or the feeling that appreciation has not come with the salary increases. It's also the fact that a teacher's salary is still not enough to support a family in many areas of the state, forcing some teachers to earn extra money elsewhere.

Sam Glickel, a Daly City elementary school teacher in his third year of teaching, said he went into the profession knowing that it does not provide a salary that can support a family in the Bay Area.

"You'd be foolish not to know that," said Glickel, 29. "Clearly I didn't go into the profession for financial reasons." He admits that the benefits are good, like the three-month summer vacation. Often, however, the break doesn't materialize.

Glickel teaches summer school or tutors. Kim Freeman, who makes $44,000 a year teaching for the Sacramento Unified School District, said she can't make ends meet without teaching summer school. During the school year, she spends 30 hours a week selling on Ebay to bring in extra cash.

Assemblywoman Jackie Goldberg (D-Los Angeles), understands how the teachers feel. She used to be one of them. She went on to serve on the Los Angeles school board and now is one of the CTA's biggest advocates in the Legislature. She believes the $34,000 starting salary is a joke.

"There are high school kids with certain vocational training who start at that," she said. "Then, when you work 10 or 15 years and, if you take classes all the time, and you keep teaching, then maybe you'll get to $55,000. My plumber makes more than $55,000. The electrician makes twice as much as $55,000. And he does not inspire or involve my children in any way."

Perhaps that is the most frustrating part, teachers said. They believe they are making a difference, but not getting paid for it.

Around the state, teachers' pay varies widely. The two key factors in the salary differential are educational achievement and experience, according to a study undertaken by the Public Policy Institute of California in 2001.

While the 2000 infusion of cash helped even out beginning teachers' salaries across the state, differences remain. In the Bay Area, higher living costs are attributable to a higher salary structure, whereas in Los Angeles the chronic need for teachers fuels the increase. Experienced teachers are most impacted by those variations because their pay has not increased at the same rate as the starting salaries, said Kim Rueben, a researcher at PPIC.

George Martinez, who makes $60,000 after 25 years teaching in the Santa Cruz school district, said that isn't much compared with the $34,000 for brand new hires.

"It bottoms out pretty quickly," he said.

Senator Dede Alpert (D-San Diego), agrees. She wants to see some type of Master Teacher program created to keep the best from moving into administration positions just so that they can earn more money.

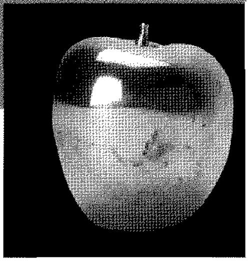
TEACHER SALARY RANKINGS 2001-2002

RANK	STATE	SALARY	PERCENT CHANGE
1.	California	$53,870	2.6
2.	Connecticut	$53,551	1.6
3.	New York	$53,801	2.0
4.	Michigan	$52,037	2.6
5.	New Jersey	$51,186	2.0
6.	Pennsylvania	$50,599	2.2
7.	Illinois	$50,000	4.5
8.	Rhode Island	$49,758	2.6
9.	Alaska	$49,418	2.7
10.	Massachusetts	$49,054	2.6
11.	Delaware	$48,363	2.8
12.	District of Columbia	$47,049	-3.4
13.	Maryland	$46,200	0.5

Source: National Educational Association

Wayne Johnson

> **"The key factor in student achievement is a quality teacher. If we start hacking teachers, while preserving everything else, we are hurting the kids."**
>
> **— Wayne Johnson**



This is an area all agree on — there has to be more work done to keep teachers in the profession. Whether the answer is money, a better teaching environment or expenditures on supplies and support staff is still in dispute. In addition to increased salaries, advocates for teachers believe there should be more bonuses and other incentives for people who have extra skills. The state does provide a bonus for teachers who become nationally certified, a change instituted by Davis.

And the governor did try to give teachers a huge benefit — eliminating their state income tax. That idea, unveiled with much fanfare, got him on the front page of the *New York Times* but failed to go anywhere in the Legislature.

Alpert, who oversaw the creation of the state's recent Master Plan on education, said she would like to see the state take over benefits, making them equal across district lines. Currently, larger school districts tend to have better benefits because of their ability to negotiate with more strength. Alpert would also like to see teaching made into more of a year-round profession, where off time is spent in professional development.

Another change would be to alter the way the state finances education. The PPIC study shows that it might be better to allocate money according to expenses in the districts, PPIC's Rueben said. Currently, each district gets the same amount of money per pupil throughout the state.

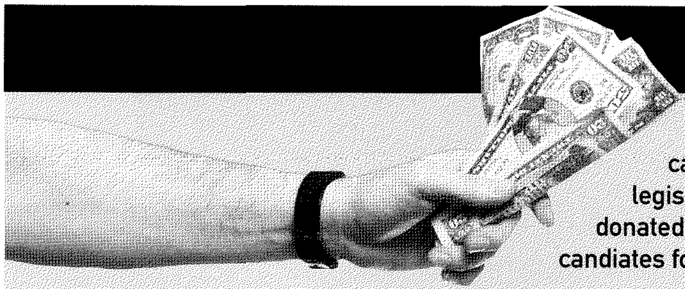
"That doesn't take into account that it is going to cost more to educate kids in some places," she said. "There is going to be a trade-off for what you get in education because of what has to be spent on teacher's salaries."

With the state's current fiscal mess, no one expects teachers to see another pay raise any time soon. In fact, there is talk of trying to renegotiate some contracts in order to absorb cuts. CTA's Johnson said that would be a travesty. "The key factor in student achievement is a quality teacher," Johnson continued. "If we start hacking teachers, while preserving everything else, we are hurting the kids."

More importantly, said O'Connell, is recognizing the value of teachers. "I wish every teacher could make the same money as Shaquille O'Neal," he said. "They are more important to society than Chris Webber."

Lynda Gledhill is a Sacramento-based reporter for the San Francisco Chronicle. Comments may be sent to **comments@californiajournal.com**

CTA'S DEEP POCKETS



Of all interest groups, CTA gave the second most to candidates — almost $2 million — during 1999-2000 state legislative campaings. For 2001-2002 (below), the teachers union donated over $3.2 million more, with a heavy emphasis on the candiates for the constitutional offices.

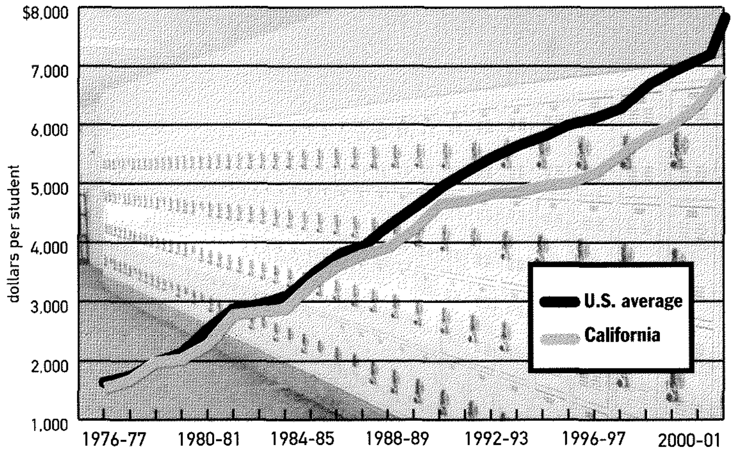
CONSTITUTIONAL OFFICERS

Jack O'Connell	Supt. of Public Instruction	$219,000
Steve Westly	Controller	$186,266
Cruz Bustamante	Lieutenant Governor	$182,000
Bill Lockyer	Attorney General	$160,250
Phil Angelides	Tresurer	$110,015
Kevin Shelley	Secretary of State	$60,000
John Garamendi	Insurance Commissoner	$40,000
Gray Davis	Governor	$12,000

Source: Office of the Secretary of State

STATE LEGISLATORS

John Burton	Senate	$95,000
Herb Wesson	Assembly	$31,000
Marco Firebaugh	Assembly	$17,000
Darrell Steinberg	Assembly	$17,000
Shelia Kuehl	Senate	$16,000
Paul Koretz	Assembly	$16,000
Jenny Oropeza	Assembly	$16,000
Jim Brulte	Senate	$15,396
16		tied at $12,000



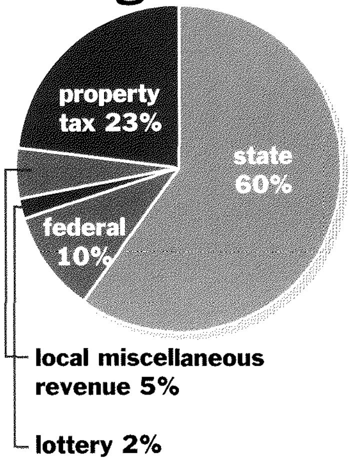
Per-pupil expenditures

During the 1970s and most of the 1980s, California spent as much per pupil as the national average. During the 1990s that gap widened to about $1,000 per student. While the gap has closed somewhat, California still ranks 29th in the nation. In the last several years, California has allocated more than the Prop. 98 mandate has dictated.

EDUCATION CHALLENGES

Topic "A" in California — especially during election years — is education. And sure enough, all agree that California could do a better job of teaching our children. But that's where agreement ends. That's because seemingly all of California's most contentious issues — local control vs. state control, taxes, accountability, the power of unions, public or private ownership — play into how education works, or doesn't work in California. The statistics tell a confusing story. On one hand, California spends a whopping 53 percent of its budget on education. On the other, California lags in how much it spends per pupil when compared to the rest of the country.

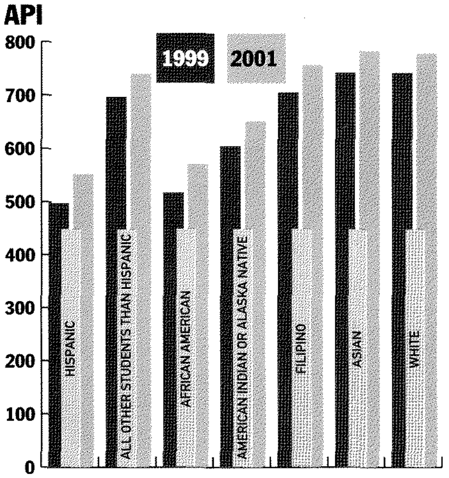
2000-01 K-12 funding



State funds	$32.2 billion	Mostly from California sales and income taxes.
Local property taxes	$12.4 billion	The portion state lawmakers allocate to schools.
Local miscellaneous revenues	$2.8 billion	Includes community contributions, interest income, developer fees, and revenues from local parcel tax elections.
Federal government	$5.4 billion	*Earmarked for special purposes.*
Lottery	$0.8 billion	Projected at about $128 per student (ADA).
Total estimated revenues for 2001-02	$53.7 billion*	

Narrowing the gap

Latino students make up 44 percent of California's public school enrollment. The bad news is that their academic performance index scores — which is how California measures students' and schools' performance — are the lowest among ethnic groups. The good news is that their scores are improving at a higher rate than others.

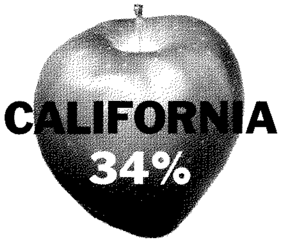


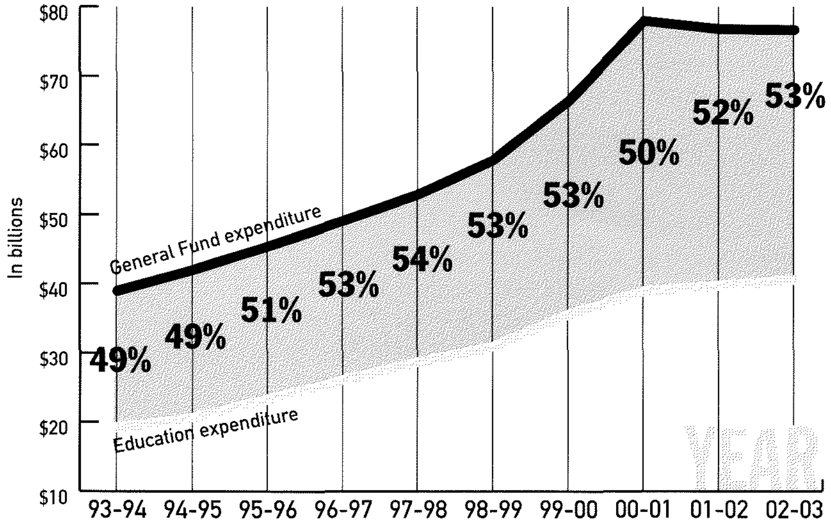
Students that go on to college

North Dakota	59%
Massachusetts	54%
New Jersey	54%
Iowa	53%
Nebraska	52%

BOTTOM
FIVE

Alaska	24%
Nevada	26%
Arizona	28%
Florida	28%
Georgia	31%
Texas	31%





Education spending

Proposition 98 — passed by the voters in 1988 — ensures that K-12 education is funded at certain levels and that schools get a big share of any increase in state revenues. And sure enough, as general fund expenditures have grown, from $39 billion in 93-94 to $76.7 billion in 02-03, education funding has jumped with it — staying between 49 percent to 53 percent of general fund spending over that time.

Sources for graphs: Ed Source, Dept. of Finance, Nat. Education Association, Dept. of Education

The San Diego Experiment

In 2000, San Diego Unified School District embarked on a controversial plan to improve its schools, but it needed $20 million in private money to do it. The district got the money and also a few headaches in implementing the changes.

By Chris Moran

Giving inner-city kids an adequate education has long been one of the state's — and the nation's — most vexing problems. Poverty, a shortage of qualified teachers, inadequate resources, decrepit facilities, overworked or inattentive parents and neighborhood violence combine to create a nightmare for school administrators.

These challenges and more have plagued San Diego for decades. More than a quarter of the students do not speak fluent English, nearly half qualify for subsidized lunches because of low family income, and 40 percent are Latino, who as a group have performed below the level of their white and Asian peers.

But in 2000, leaders in the sprawling, 187-campus San Diego Unified School District presented a plan to the San Diego School Board that hoped to address these problems. It involved massive teacher training, large-scale purchases of books to expand classroom libraries, two- to three-hour blocks of reading and writing instruction for elementary school students and a school for training new principals. The effort was considered both bold and sweeping but, if successful, is one thought to be a model for the nation.

Known as the "Blueprint for Students Success," it relied not only on educators' abilities to implement a new way of teaching but on more money than would be available from a $1 billion district budget meant to educate 141,000 students.

Operating on the principle that the best way to improve learning is through high-quality teaching, the plan called for heavy doses of teacher training, with the amount of money earmarked for professional development soaring from $1 million to $55 million a year. The district would beef up classroom

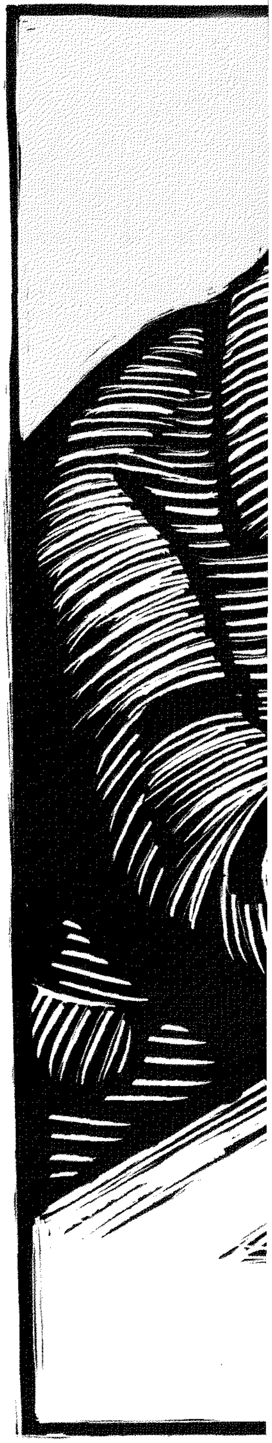


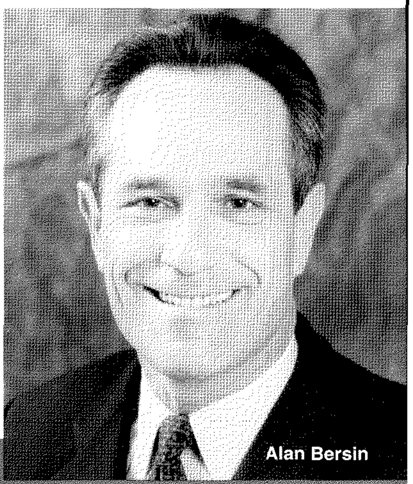
Illustration by Randy Bishop

libraries, launch summer school classes for struggling students, give extra help to low-performing schools and establish an institute to prepare administrators for running schools.

It also was controversial and expensive beyond the district's means.

To offset the cost, the district's reform-minded administrators — Superintendent Alan Bersin and Chancellor of Instruction Anthony Alvarado — sought outside funding. When they introduced the $97 million Blueprint to the school board, they pledged to find $15 million from outside sources to help offset the cost.

By late 2001, Bersin and Alvarado had made good on their pledge, announcing $22.5 million in grants from three foundations — Atlantic Philanthropies, the Bill and Melinda Gates Foundation, and the William and Flora Hewlett Foundation. Last school year alone, these three entities paid for $12 million in Blueprint reforms. Gates money ($4.2 million) paid the salaries of teaching coaches throughout city schools. Hewlett money ($3.7 million) beefed up classroom libraries and stocked teachers' supplies in elementary classrooms. And Atlantic money ($629,000) paid the salaries of the staff at the Educational Leadership Development Academy, where new principals and vice principals are trained.


Alan Bersin

“Foundations can provide support at the right things that they might not have otherwise

In the beginning

San Diego's current reform effort can be traced to the 1998 hiring of Bersin, a former Brooklyn, New York, prosecutor who has been dubbed “Giuliani West” for his bulldog personality and professional background similar to that of former New York Mayor Rudy Giuliani.

Bersin faced a daunting array of problems. For instance, at the time of his hiring, only 41 percent of San Diego's third- and fourth-graders were scoring at the national average on the SAT 9 test mandated by the state.

Bersin, in turn, hired Alvarado to be chancellor of instruction, essentially the district's top administrator for curriculum and teaching. At the time, Alvarado was still employed as superintendent of a 24,000-student district in New York City, where his work was a major urban education reform story of the early 1990s. But Alvarado cost a lot of money, and Bersin used a “superintendent's fund,” set up by the San Diego Community Foundation, to help defray costs associated with luring him west. Foundation dollars, for instance, reimbursed the district part of the cost of flying Alvarado to San Diego for work every week and housing him in tony Coronado for the first 18 months of his employment.

It was Bersin's first use of so-called “outside money,” and critics argued that the superintendent's special fund amounted to a private checkbook spent without formal oversight, thus circumventing the elected school board. But Bersin's allies argued that the fund allowed Bersin to begin reforms immediately, even though he was hired after the school board had set the district's budget.

The key was Alvarado, who brought a track record and a place in a network of educational reformers — a network that included other players flush with money and willing to back promising ideas. It gave San Diego access to the kinds of grants that aren't awarded through a competitive application process — money that flows from foundation leaders whose philosophy is more akin to that of venture capitalists than to those of government officials.

Bureaucrats have a fiduciary responsibility to protect taxpayer money and tend to be sticklers for compliance and following rules. Education philanthropists, on the other hand, want innovation and results, and are attracted to those who can make it happen.

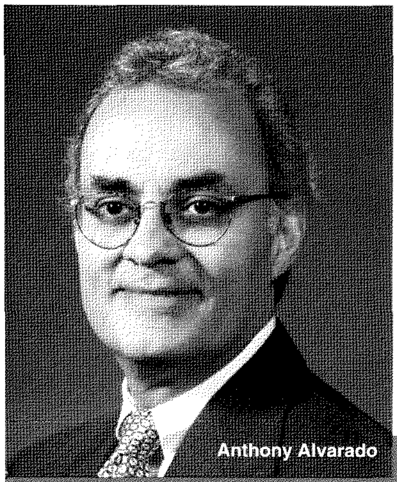
“We invest in people and plans, and the Blueprint seemed to be a really bold plan and one worth supporting,” said Tom Vander Ark, executive director of education for the Bill and Melinda Gates Foundation.

Vander Ark had visited New York during Alvarado's tenure as a superintendent, networked with educational leaders and talked with other foundation executives. That led to a funding alliance that provided more bang for the buck. Marshall Smith of the William and Flora Hewlett Foundation believed in Bersin and Alvarado, and other foundations followed suit when Bersin came to San Diego.

Perhaps the best argument for foundation money took place this year, when San Diego — like every venue in California — was rocked by the state's budget crisis. San Diego schools were forced to make $75 million in midyear cuts that resulted in the layoffs of hundreds of employees. The Blueprint also took a $15 million hit, but it has been insulated to some degree because foundation money cannot be used for other purposes. As a result, it has not been scaled back nearly as much as had it depended entirely on the general fund.

Controversies

But the Blueprint — including reliance on outside money — has sparked controversy precisely because it attempts to change the district's approach to inner-city schools. For example, the federal government gives districts money for so-called “categorical programs,” and has rules on how that money may be spent. One such program is known as Title I and pro-



Anthony Alvarado

time to give people the opportunity to do had the opportunity to do."
— Marshall Smith, Hewlett Foundation.

vides dollars for low-income students. Traditionally, that money has been spent to supply teachers' aides in schools with a large number of low-income students. But the Blueprint called for doing away with many aides and instead allocating the money for teaching coaches at all schools, poor or not. Ultimately, some 600 aides were laid off.

Although federal approval was required, the district was able to launch the program by seeding it with grant money while awaiting federal endorsement. According to Bersin, the eventual approval was motivated in part because the seed money had provided a successful working model.

"Foundations can provide support at the right time to give people the opportunity to do things that they might not have otherwise had the opportunity to do," said Hewlett's Smith.

"The key point is flexibility in terms of applying resources to strategies," Bersin said of the grant money.

But that very flexibility also became a point of controversy to critics who expressed concern that the people who provide outside money could demand too large a say in how their money is spent and could impose their own policies on the community. The foundations dismiss this particular criticism; Smith insisted that his group decided to back the Blueprint after reading it — not after dictating its provisions.

Another criticism centered on the top-down nature of reforms aimed directly at the classroom. Teachers especially grumbled that two- and three-hour blocks of time impinged on their ability to be flexible about planning and instruction time. And at least one campus — high-performing La Jolla High School — threatened to become a charter school until the district granted it special autonomy and freed it from some of the reforms.

Teachers also were not happy with the extent of mandated training programs. Many complained about being pulled out of class too often and spending so much time in training that some schools found themselves in a substitute pinch, with administrators covering for absent teachers.

In addition, teachers — joined by union leaders and dissenting school board members — chafed against what they call top-down management that strips classroom teachers of their autonomy and limits the flexibility needed to respond to individual students' needs. In response, Bersin insisted that he gave others input into the implementation of the Blueprint. But as he was fond of saying, a seat at the table does not give teachers or any group veto power.

Bersin also reminds everyone that change is never easy and necessarily upsets the status quo. And perhaps his best argument was that change was needed — at least in outcomes.

Bersin hired and dispatched a cadre of teaching coaches to work with classroom teachers to hone strategies and techniques. He restructured the district administration by changing five assistant superintendents with duties that ran the gamut from facilities, transportation and teaching needs to 11 instructional leaders who dedicated themselves exclusively to teaching and learning issues.

Job security?

San Diego could not have pulled off the Blueprint on its current scale without outside help, and part of Alvarado's job was to round up money to close the gap. But even the securing of grant money was not without controversy, in part because more than $22 million of it was tied to the continued employment of Bersin and Alvarado.

School board member Frances O'Neill Zimmerman accused the leaders of engineering their own political protection under a sharply divided school board on which she and member John de Beck often dissented, voting in the minority against Blueprint reforms. Zimmerman calls the philanthropists "enablers" for a curriculum she opposes, and said she'd stop the grants if she could.

"We have no say over the direction in which the money is spent. We may accept it or we may reject it, and that's all we get to do, and that's ridiculous," Zimmerman said. "If you had board oversight, you would have a better mousetrap. You would have better education for children in this city.”

De Beck wrote to the state's political watchdog, the Fair Political Practices Commission, and to the federal Internal Revenue Service, accusing the foundations of acting improperly.

The foundations, however, see it differently. Gates' Vander Ark explained that the contingencies are an insurance policy for the reforms, not for Bersin and Alvarado's job security. “If there's a change in leadership,” he said, “that may signal a change in direction, and that direction may or may not be something we can support.”

School board politics have been contentious, as well. In 2000, Zimmerman's opponents spent $750,000 on a campaign to unseat her. She was saved, in part, by voter backlash against a campaign seen as funded by education outsiders. Last year the California Teachers Association fought back by contributing $300,000 to anti-Bersin candidates, but Bersin retained the 3-2 majority in support of reforms.

Results

After three years, the Blueprint's champions point to data that makes the case for its effectiveness. In 1998, 20 percent of San Diego students scored in the top quarter nationally on the SAT 9 reading test. In 2002, 24 percent did. More important, San Diego elementary school children improved, up from 36 percent in the bottom quarter nationally in 1998 to 27 percent in 2002. This translates into 4,582 fewer students scoring at the bottom than four years ago.

What's more, historically low-scoring groups such as blacks, Latinos and the poor improved more than the district's students as a whole — narrowing an achievement gap that has confounded most major urban school systems for decades.

But progress has not come everywhere. Middle and high schools, for example, did not show similar improvement, and even the foundations concede that much work remains at the high school level.

In its annual report to the foundations, the district acknowledges this lackluster performance in upper grades but insists that it will improve over time. The district also argues that because math reform started later, it will need more time for results, and for the so-called “Blueprint babies” — third-graders that started school under the Blueprint regime — to rise through the grades.

Blueprint priorities also caused problems. Because literacy came first, some saw those advances coming at the expense of other disciplines. The National Science Foundation, for instance, pulled a $9.5 million grant in 1999 because of dissatisfaction with resources dedicated to science. It restored $6 million in 2001 when San Diego reinforced its science instruction.

Meanwhile, Blueprint opponents say results have not justified the ill will generated by the change, or the expense, and they point to the fact that city schools' gains in reading and math are comparable to those by the county as a whole in lower grades. Meanwhile, stagnation in scores for upper grades, they argue, means that the rigid reforms don't work at every school.

Alvarado defends the reforms. The results are most valid if they are replicable. Alvarado said the challenge in San Diego from the beginning was to take lessons learned from unlikely success stories in individual schools and to apply them to an entire district. The next step would be to take the successes to even larger bunches of schools.

“The work here, I think, will contribute to the knowledge about how reform is accomplished — nationally,” Alvarado said.

Chris Moran is a reporter with the San Diego Union-Tribune. *Comments may be sent to* **comments@californiajournal.com**

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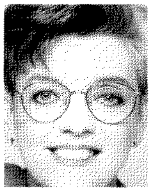
South Gate

Southern Exposure

by Sherry Bebitch Jeffe



In a January recall election, the citizens of South Gate in Los Angeles County ousted their city treasurer, Albert Robles, and his three allies on the five-member City Council, by an 8-to-1 margin. L.A. District Attorney Steve Cooley had sent investigators in; the FBI was poking around City Hall and former Secretary of State Bill Jones had observed "elections are more lawful in Nicaragua" than in South Gate. So voters threw the rascals out.

The recall of Robles, arguably South Gate's most influential politician, and his City Hall cronies, was a big deal in the Southland, not only because of what it said about the corruption and cleansing of local government and politics. Some called the drama that led to South Gate's voter rebellion a bad soap opera; others decried the city's "Third World" politics. But the saga of South Gate was more a tale of an isolated small town whose population is largely low income, low voting and ripe for Tammany-style politics.

> The city has also become arguably one of the most corrupt in the state.

As important, the outcome of the recall election supplied an encouraging civics lesson and underscored the journey to political maturation of the Latino community.

South Gate, 7.5 square miles in area, is an independent city seven miles south of downtown Los Angeles. After its incorporation in 1923, it became home to major industries, including a Firestone Tire factory and a General Motors automobile assembly plant.

In the 1970s and '80s South Gate's blue-collar population came upon hard times, when factories began closing down. The city is now one of the poorest in L.A. County. And the town's demographics have shifted. From 1960 to 2000, Latinos grew from roughly 4 percent of South Gate's population to 92 percent. In 1994 Latinos finally took control of City Hall.

Unfortunately, to the disappointment of many citizens and the dismay of Latino politicians, the city has also become arguably one of the most corrupt in the state. Local leaders feared that South Gate would become the image of Latino politics — or worse, its future.

Over the past few years, City Council members have, according to the *Los Angeles Times,* "tripled their salaries, awarded contracts to a long list of cronies and authorized new staff members whose resumes read like rap sheets." Robles was recently tried on death threat charges, including his alleged threat to rape state Sen. Martha Escutia (D-Whittier) and shoot her husband, and an alleged statement that he wanted to stuff Assm. Marco Firebaugh (D-Los Angeles) into his car trunk, drive to Tijuana, Mexico, and shoot Firebaugh in the head. In January, the judge dismissed the charges against Robles, after the jury deadlocked on all counts.

Firebaugh and Escutia were among the Latino lawmakers who successfully pushed legislation to remove South Gate special elections from city control when the recall movement stalled after Robles' City Council majority stripped the elected city clerk of her electoral responsibilities and appointed their own person.

A coalition of disgruntled Latinos — many recent immigrants — and white senior citizens, led by the city's police union (a Robles enemy), first launched a recall petition in 2001. It finally qualified after a protracted court fight.

Using a strategy reminiscent of old-style Mexican politics, the besieged incumbents began offering their constituents "freebies," including one-month's free trash service, a plan for free medical care out of a new health clinic, and raffles which awarded a new television set to one newly registered voter and a free, new house, offered by the city, to one lucky non-homeowner.

In the end, voter turnout for the special recall election was higher than for other city elections. Secretary of State Kevin Shelley sent in monitors to insure a fair election. And, unlike last year's gubernatorial election, which appeared to suppress turnout, the heavy-handed tactics of South Gate recall targets seemed to fire up a significant number of first-time voters.

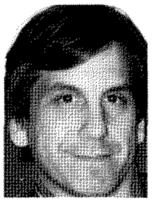
Adelma Aguilera, a Cuban native, summed up what taking back her community's politics could mean. She told The Associated Press she'd be more careful in selecting her city's leaders. "We made some bad decisions," she observed. "But at least here, they are our decisions. Where I come from, you don't even have a choice." 🏛

Sherry Bebitch Jeffe is a senior scholar at USC's School of Policy, Planning & Development. Coments may be sent to **comments@statenet.com.**

d.c. perspective

Republican power house

by Marc Sandalow



It is not unheard of for my analysis to be mistaken. It is rare for my misjudgments to be so readily apparent. In January, I wrote in this column that Californians would be locked out of key congressional posts because the state was peaking Democratic at exactly the moment when Washington was peaking Republican.

In a matter of weeks, Republican leaders in the House picked Rep. Bill Thomas of Bakersfield to chair the tax-writing Ways and Means Committee, David Dreier of San Dimas to chair the all-powerful Rules Committee, Duncan Hunter of Alpine to chair Armed Services, Richard Pombo of Tracy to chair Resources, and Chris Cox of Newport Beach to run the Select Committee on Homeland Security.

Oops.

"California Republicans rock!" crowed Dreier's chief of staff, Brad Smith. "For the first time in my life, Californians are on the map in the House."

> "California Republicans rock! For the first time in my life, Californians are on the map in the House."
>
> — Brad Smith

Republicans have reason to crow. Thomas and Dreier now control two of the House's three most coveted posts, one that sets U.S. tax policy and another that sets the House floor agenda (the third being chair of the Appropriations Committee, where spending bills originate.) That never happened when Democrats were in charge. Cox will be highly visible running the panel overseeing the new Department of Homeland Security, and Hunter and Pombo's committees will have jurisdiction over matters (military and the environment) that couldn't be more important to the Golden State.

Indeed, *Roll Call,* a Capitol Hill newspaper which conducted a "Clout Ranking" based on delegation size , committee posts, per capita federal spending, and other factors, ranked California's delegation in January as the nation's most powerful.

OK. So beyond the soundness of my judgment, the developments raise two interesting questions. Does the rise of California Republicans reflect a conscious effort by the party to penetrate a state that remains the nation's most Democratic? And will the Republican committee chairs use their power to advance California's agenda and bring federal resources to the state?

Like everything in Washington, the answers are a matter of dispute. Republicans clearly considered factors other than geography in promoting the committee chairs. Thomas, Hunter and Dreier have a combined 68 years of seniority between them, an enormous factor in an institution which rewards longevity. Indeed, a good case can be made that the California GOP's clout in Washington was greatly enhanced by the state's Democratic governor and Legislature, which agreed to a redistricting plan that protects incumbents.

At the same time, being from California didn't hurt.

Pombo, first elected in 1992, leaped over more senior members to take control of the Resources Committee, which has jurisdiction over water, forests, and other California priorities. Cox competed with scores of other members to chair the committee which will play a pivotal role as the nation braces for terrorist attacks.

"This did not happen by chance. Republicans in Washington are well aware of the need to include California and promote California," said a Republican staffer.

So will the Californians deliver for the state? Again, it's a matter of interpretation. Certainly the five are well positioned to have influence over areas of enormous regional importance.

The problem is that what Republicans want may at times be precisely the opposite of what Democrats want. Easing logging restrictions in the state's federal forests would be a victory for Pombo. For Rep. George Miller, the Martinez Democrat who once chaired the same committee, it would be a policy disaster.

But when it comes to allocating federal dollars, it is always helpful to have Californians in positions of power. Dreier was influential in securing $150 million to assist the struggling public health system in Los Angeles last month. Dreier is also close to President Bush and can be expected to promote the state's case at the White House.

Of course California's influence would look much different if San Francisco Rep. Nancy Pelosi was presiding over the majority party and not the minority. The larger point is that Californians have *not* been shut out, even if their influence — as I wrote in January — would look vastly different under Democratic control. ... At least that part I got right.

Marc Sandalow is the San Francisco Chronicle's *Washington Bureau Chief.*Coments may be sent to **comments@statenet.com.**

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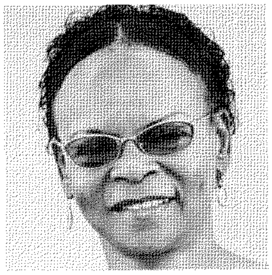
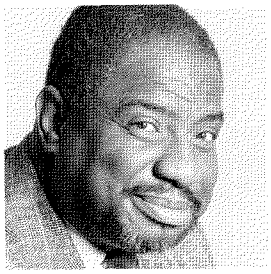
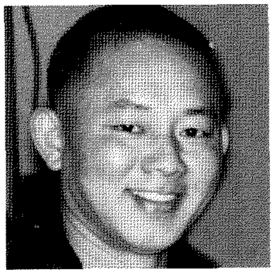
Grantmaking for a Healthier California

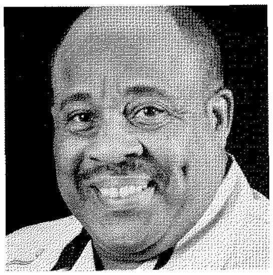
Norman Berry, 1993
Concord


Lorna Hawkins, 1993
Lynwood

Deane Calhoun, 1995
Berkeley


Rev. Romie J. Lilly, II, 1995
Inglewood


Chea Sok Lim, 1997
Santa Ana

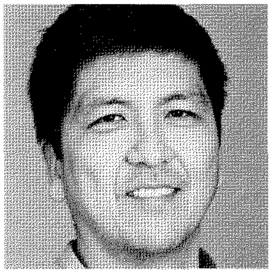

Malcolm Williams, 1997
Oakland

Rubén Lizardo, 1999
Los Angeles

Clara Luz Navarro, 1999
San Francisco

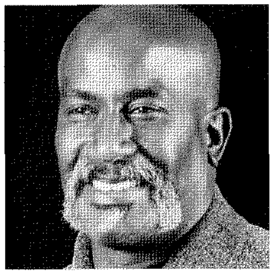
Joan Cuadra, 2001
Visalia

Brian Contreras, 2001
Salinas



Bong Hwan Kim, 1993
Los Angeles

Sylvia Castillo, 1994
Los Angeles

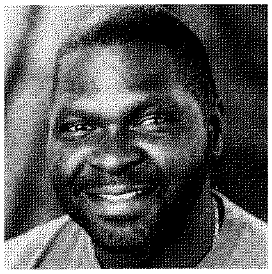


David Lewis, 1994
East Palo Alto

Gayle Zepeda, 1994
Redwood Valley

Judith Magsaysay, 1995
Santa Ana

Leonard Edwards, 1996
San Jose

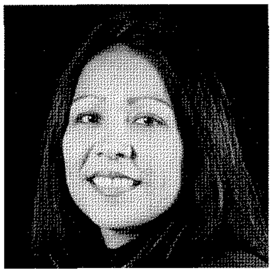


Jitu Sadiki, 1996
Los Angeles

Glenda Savage, 1996
East Palo Alto

Barbara Rivas, 1997
San Diego

Barbara Aragon, 1998
Sacramento

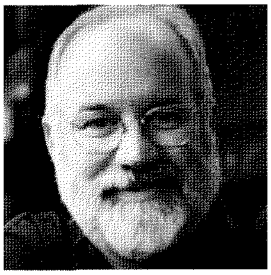


Carol Dela Torre, 1998
Fresno

Beckie Masaki, 1998
San Francisco

Gilbert Sanchez, 1999
Los Angeles

Matt Sanchez, 2000
Santa Barbara



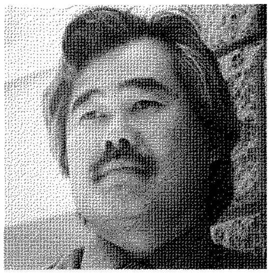
Father Greg Boyle, 2000
Los Angeles

Gianna Tran, 2000
Oakland

Constance Rice, 2001
Los Angeles

Raja Rahim, 2002
San Francisco

Joseph Myers, 2002
Petaluma



Wayne Sakamoto, 2002
San Diego

The legacy of the Northwestern Rail Line: An engine and cars, left to rust in the train yards of Eureka, California. Photo by Hank Sims

Trains in vain

Eleven years ago, California bought the troubled Northwestern Pacific Railroad in hopes of expanding the North coast's economic base. Now, with trains in ruin and tracks that have gone unused for years, cash-strapped California faces a decision on the railroad that will cost it millions no matter what it does.

By Hank Sims

Humboldt County is known to the outside world for its brash forest defenders, its Green Party-controlled city councils and its quaint, tourist-friendly towns. It wasn't always so. The county was once a solid blue-collar area with a vast natural resource base. For the last few years, though, it has been trying to steer through a deep economic crisis. Timber production has dwindled, and the fishing industry has all but vanished. Nowadays, the county's principal export is probably its high-grade marijuana crop.

Like any provincial community left behind by post-industrial America, local elected officials and business leaders dream of finding their way into the new economy. In Humboldt County, many pin their hopes on the Northwestern Pacific Railroad, a dormant old spur of the Southern Pacific, which is currently the only state-owned railroad in California.

Eleven years ago, in the midst of its own recession, California bought the deeply troubled rail line with the good intentions of trying to boost the struggling economy of the state's rural North. But today, the story is of a colossal planning disaster that could force the state to pay millions of dollars just to get out of the train business. It could cost even more to keep it going.

That's because much of the track lies in ruin. The biggest of the railroad's many problems is a remote stretch of the line that hugs the bank of the Eel River and connects Eureka, Humboldt's County seat, with points south. The walls of the Eel River Canyon are constituted mostly of shale and clay, feeble materials that disintegrate when winter storms batter the region. Time after time in the railroad's 89-year history (the track was opened in 1914), rains have washed cars, engines and track into the river. Service has been down for over four years, thanks to a stop-work order by the Federal Railroad Administration.

No track in America is considered more expensive to maintain. Federal authorities say it will take $650 million to make the track work over the long term. And even the North Coast Railroad Authority, the state agency that owns the track, concedes there's $300 million in construction needs over the next 25 years.

Already in its 10-year history, over $110 million in federal, state and local taxpayer money has been awarded to revive the Northwestern Pacific: $43 million to buy the line, $12 million for disaster relief, and, most recently, $60 million in "traffic congestion relief" funds from Governor Gray Davis' 2000-01 budget. Of the $60 million grant from Davis, earmarked for ground stabilization and repayment of the NCRA's debts to subcontractors, only $19 million has been doled out so far by the California Department of Transportation, with some $41 million still outstanding.

Now, with the state suffering the greatest budget deficit in its history, that $41 million allocation may be slashed back severely or rescinded altogether. And the NCRA may be in greater peril than most. There's no question that since its creation the authority has caused the state many more problems than it has solved. But that may be beside the point. The state, in creating the public bailout for a dead railroad, may now find it nearly impossible to back away from it.

And to be sure, it would be California's responsibility. In this, Dan Hauser, the former Democratic state assemblyman who authored legislation that created the NCRA, has no doubt. "If there are no assets, no resources, the line becomes the state's problem," Hauser says. "When we set up the NCRA, we kept it separate from the counties. We made sure, because of the potential liabilities, that the state couldn't say, 'Counties, you take over.'"

Call it the NCRA's ultimate bargaining chip in dealing with the state. At a January meeting, current NCRA director Allan Hemphill quotes Hauser — who, after stepping down from the Legislature, served for a time as the NCRA's executive director — colorfully suggesting what the NCRA should do if the state does not cough up the money.

"Throw the keys at them," Hauser said.

Salmon barbeque

The "golden spike" that officially opened the Northwestern Pacific Railroad was driven in the summer of 1914 at the Cain Rock, deep into the wilds of the Eel River Canyon. The new railroad was of no small consequence; with the coming of the line, the vast natural resources of the northern part of the state would finally find a ready route to San Francisco markets. At the opening, two trains — one from Eureka, one from San Francisco — would meet in the Canyon, where dignitaries would perform the ceremony and then proceed to Eureka for a three-day festival. Future California governor James "Sunny Jim" Rolph, then San Francisco's mayor, would lead the Bay Area delegation.

But on the day the spike was pounded home, word reached the party that tracks north of Cain Rock had slid out, leaving the dignitaries stranded until the wee hours of the next morning. Salmon were fished out of the river and barbecued, and the archival footage that survives the event shows that the several-hour delay did no damage to Rolph's legendary good cheer.

It was a portentous beginning for a railroad that would suffer such calamities throughout its history. In total, 11 railroad workers have been killed by the slip-outs and slides that plague this section of the track, with untold damages to property.

> "This thing is out of gas. I'm not going to waste another nine years screwing around with this thing unless we can get them to move."
> — NCRA's Allan Hemphill

The problem is location. To get from the Bay Area to Humboldt County, one must somehow traverse the choppy mountains known collectively as the Coast Range. Geologists refer to this area as the Franciscan complex, a land-mass born of the union of the Farallon and Pacific tectonic plates. The Franciscan complex is a geological infant; its rivers and mountains have far to go before they stabilize. The area is one of the most seismically active in the world.

Faced with a scarcity of relatively level ground, founders of the Northwestern Pacific chose to place most of their railroad alongside rivers. From Cloverdale to Willits, in Mendocino County, the line runs next to the Russian River. From Willits to Scotia, in Humboldt County, it runs next to the middle fork of the Eel River — sometimes less than 100 feet above the river itself. Even barring severe floods, damage to the track in a normal winter is extensive. Now, with the line fallow for years, much of the track is in complete ruin.

Despite these headaches, the Southern Pacific was able to make a go of the line until the early 1980s. For years, the massive North Coast redwood industry provided the rail giant with a steady source of revenue. But in 1983, the SP filed a petition with the Interstate Commerce Commission asking for permission to disband the line. Freight revenues had dropped, the company claimed, and maintenance costs had increased — to the point where it was losing nearly $1 million a month on the line. The California Public Utilities Commission challenged the SP's petition, charging that the railroad was a vital component of the North Coast economy. The ICC concurred, ordering the SP to continue operations on the line.

In 1984, though, the company was able to unload the northern half of the NWP, including the Eel River Canyon, to one of its former managers. The new operation, called the Eureka Southern, ran trains for two years before declaring bankruptcy. The Eureka Southern limped along under a court-appointed trustee until 1992, when the state Legislature created the NCRA and California purchased bankrupt Eureka Southern for $5.2 million, the first of $43 million it cost to buy the entire line.

Today, Hauser says that he and Barry Keene, who represented the region in the state Senate at the time, were both committed to seeing the railroad continue, and that the NCRA was a last-ditch attempt to save it. "The handwriting was on the wall,"

(Left and above) Forsaken train cars along the Eel River Canyon. Photo by John Mahony

he says. "Old growth redwood was going to become a thing of the past. We were looking for ways to expand the [region's] economic base. The railroad was critical to this effort, and we had to give [the NCRA] a try."

Given the modest initial investment, Hauser says, it wasn't difficult to persuade the Legislature to pass the bill. "It was one of those types of issues that affected our district without detracting from their districts, and you tend as a legislator to support your colleagues in that kind of effort," he says. "Barry Keene was majority leader of the Senate, so he didn't have to [twist a lot of arms], and I had developed a fairly good reputation in the Assembly."

However, the NCRA's mandate began to expand soon afterward. The authority acquired another portion of the old NWP track, down to Healdsburg, and the sole rights to run freight on the rest of the track (as well as the responsibility of maintaining it). After trying and failing to run its own trains, it eventually entered into a long-term contract with a private operator. The authority would focus on maintaining the tracks — a task at which it also fell short. In November 1998, the Federal Railroad Authority, citing extensive unsafe conditions on the line, issued an emergency order halting all activity on the line until it could be brought up to minimal safety standards. Apart from a few runs on the southernmost end of the routes in 2001, no trains have passed down NWP tracks since.

Throughout 2002, the NCRA ran on fumes. The authority received some of the $60 million in traffic congestion relief finds that the governor promised it in 1998, but much of that was used to pay debts and to fund studies on the cost of fixing the line and the railroad's long-term financial viability. Day-to-day administrative costs were recouped through the lease of NCRA property — mainly from several miles of fiber optic lines along NCRA's right-of-way. Last January, when the NCRA board met to fine-tune a presentation to the California Transportation Commission later that month, there was a strong fear that the authority was nearing collapse. Several members of the NCRA board endorsed the view that the state transportation commission should be told that it was "time to fish or cut bait."

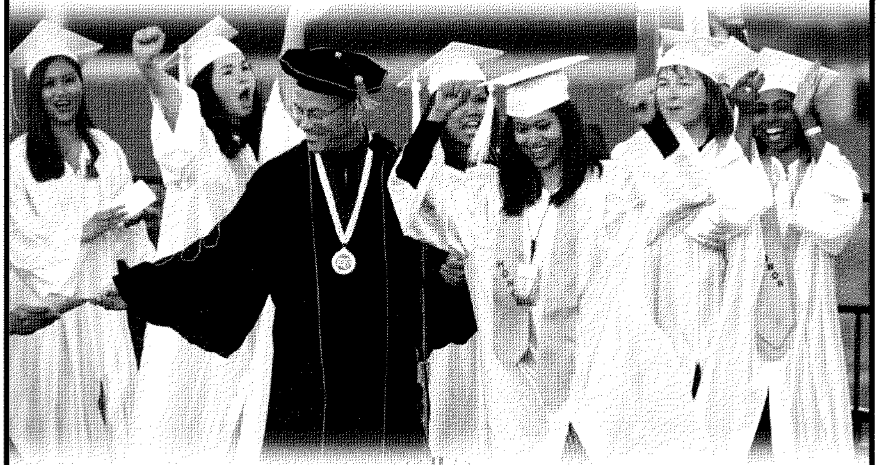
"This thing is out of gas," said NCRA Director Hemphill, who advocated a tough line with the state. "I'm not going to waste another nine years screwing around with this thing unless we can get them to move."

That, of course, will be difficult. With California in a severe budget crisis, it will be hard to persuade the transportation commission — and, ultimately, the governor and the state Legislature — to release the railroad's remaining $41 million in traffic congestion relief funds, or even a large portion of it. Railroad supporters hope to use an NCRA-commissioned financial feasibility study to make their case to the state. Under the projected "high demand" scenario for the railroad —

The California Promise

"Community colleges should continue to be open to all high school graduates and adults who can benefit from postsecondary instruction."

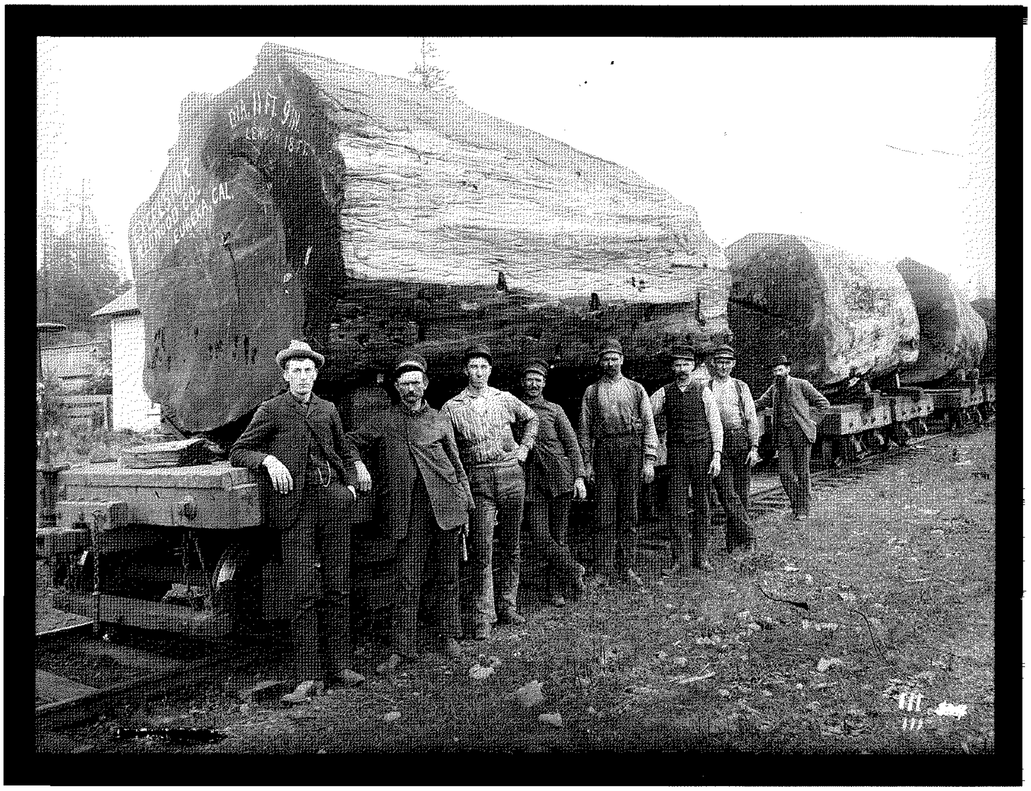
Master Plan for Education 2002



California Community Colleges

Keeping the doors open since 1910.

A message from the Community College League of California.



The old Northwest Pacific Line. A redwood trunk is stamped with Excelsior Redwood Company, Eureka, California. Trunk diameter is marked at 11 feet 9 inches. Courtesy of UC Davis, Special Collections

which even NCRA board members admit is optimistic — the state economy would gain around $37 million annually and 1,069 jobs would be created. The "medium demand" scenario shows less spectacular gain of $2.5 million annually and 93 jobs. However, the transportation commission had indicated that every project under its purview should be prepared for cuts, and the NCRA, with its dismal record of service, had reason to fear that it would be cut more than most.

Under the same "high demand" scenario, the NCRA would run $6 million to $7 million in the red until 2007, then spike up to $4 million in profits in 2010, then steadily decline to about $1.5 million in profits in 2028. Under the "medium demand" scenario, the NCRA never makes money. This scenario starts off basically the same as high demand, but again peaks in 2010 — with a mere $2 million loss annually. It steadily declines to an $8 million loss in 2027. Under "low demand," losses are never better than $4 million, and bottom out at $11 million in 2027.

But amid this backdrop of desperation, NCRA officials found a few rays of hope — the line may not be as costly to fix as they previously imagined and also they might have found a private company to invest in the line.

Until last summer, the only hard estimate of how much long-term repairs to the Eel River Canyon might cost came from the Federal Emergency Management Agency and the state Office of Emergency Services. In the mid-1990s, FEMA and the OES began to wonder whether the money they had spent on the Northwestern Pacific over the years addressed true catastrophic events, or whether storm-related damage was simply a cost of doing business in the canyon. The two agencies commissioned a study that concluded that unless some $650 million was invested in stabilizing the canyon walls, the railroad could be expected to bear extensive damage every winter, and so should not be eligible for disaster funds.

But the NCRA in 1999 hired its own consultants — Missouri firm Shannon & Wilson — to do a competing study, which came to a much different conclusion. The NCRA's consultants determined that the authority would have to spend only $40 million in the short-term, with an additional $250 million over the next 25 years — most of which the NCRA believes will come from federal funds — to stabilize the entire line.

Even that scenario depends on the state's decision to release its remaining $41 million obligation to NCRA. And if it didn't, where would the money come from?

Enter the possibility of a private investor. At its January meeting, Doug Christy, executive director of the agency, told the board that he was in talks with a large private company, and was close to cutting a deal that would bring in $55 million in private funds to the line. The deal was this: In exchange for a stake in the Northwestern Pacific Railway Company (the private company that holds rights to haul freight on the line) and rights to rock quarries owned by the NCRA in the Eel River Canyon, the company would, on its own, fix up the line from Island Mountain, the canyon's midway point, down to the Bay Area. The company, which, with talks still pending, Christy could not name, would also pursue rights to other sources of gravel in the canyon. And as a bonus, Christy told the board, the use of private money would allow the NCRA to dramatically accelerate its timeline for reopening the line. Since the line would be rehabilitated without the use of public funds, he said, the NCRA would not have to wait for the completion of an environmental impact report before beginning work. NCRA counsel Christopher Neary said provisions of federal law pre-empt state or local environmental regulations when they "frustrate or delay the reactivation and operation of a [private sector] railroad line." Those provisions have been tested and upheld by the 9th Circuit Court of Appeals and the U.S. Supreme Court.

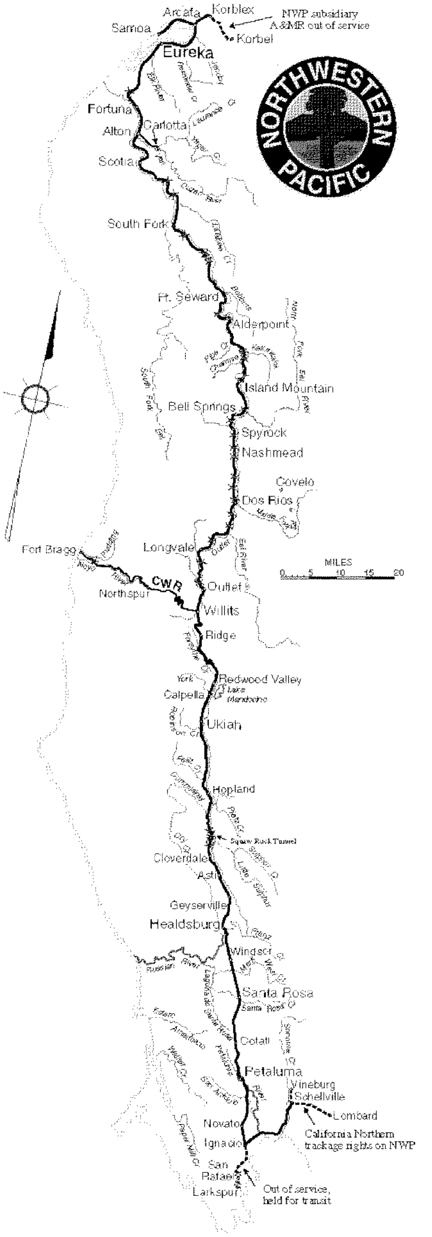
If the deal with the potential investor goes through, the only thing left would be to persuade the CTC to release enough funds — $15 million was one proposed figure — to reopen the line from Island Mountain north to Eureka.

Naturally, when executive director Christy detailed this potential deal,

Graffiti and rust distinguish this unused train sitting in the yards at Eureka. Photo by Hank Sims

the NCRA's board of directors was relieved. But because of likely environmental opposition, jubilation could be short-lived. Two endangered birds, the marbled murrelet and the spotted owl, live along the Northwestern Pacific's right-of-way, and local environmentalists hold that construction on the tracks and the noise of locomotives would disturb their nesting. Three threatened runs of salmonids, vulnerable to chemical leaching and hillside erosion, live in the waters of the Eel. Because of its decimated steelhead, coho and chinook salmon populations, American Rivers, a non-profit advocacy group, named the Eel the third-most endangered river in the United States in 2001. Given the likely scale of gravel extraction in the canyon under the private investor's plan — $55 million in rock to recoup costs, to say nothing of profit, is a lot of rock — it wouldn't be surprising to see Humboldt County's corps of direct-action specialists climb down from their tree-sits to lash themselves to the tracks. That's on top of the certain legal challenges from established and powerful Humboldt County groups like the Environmental Protection and Information Center and Californians for Alternatives to Toxics, both of whom have stated their opposition to the railroad even before the gravel plan was announced.

Map of the Line


Arcata
Korblex
NWP subsidiary A&MR out of service
Korbel
Samoa
Eureka
NORTHWESTERN PACIFIC
Fortuna
Carlotta
Alton
Scotia
South Fork
Ft. Seward
Alderpoint
Island Mountain
Bell Springs
Spyrock
Nashmead
Covelo
Dos Rios
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Redwood Valley
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Lake Mendocino
Ukiah
Hopland
Squaw Rock Tunnel
Cloverdale
Asti
Geyserville
Healdsburg
Windsor
Russian River
Santa Rosa
Cotati
Petaluma
Vineburg
Schellville
Lombard
California Northern trackage rights on NWP
Novato
Ignacio
San Rafael
Larkspur
Out of service, held for transit

Throw the keys

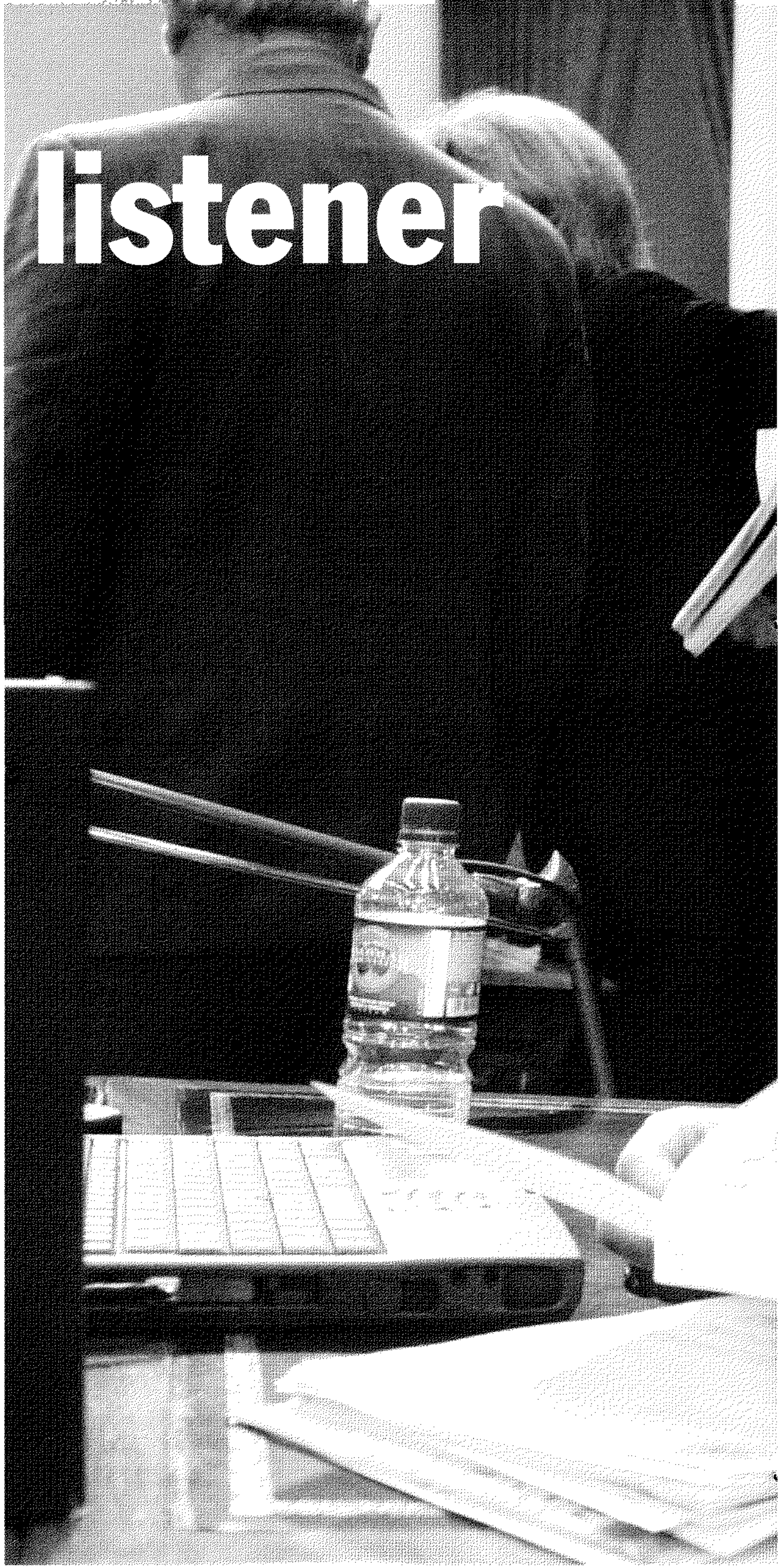
State politicians and bureaucrats would probably find all of this an extremely unappetizing prospect, but they may yet be forced to face it. What's the alternative? If the state were to deny additional funds to the NCRA — or, further down the road, if any state agency were to take the side of environmentalists and therefore queer the deal with the railroad's potential investor — it would mean bankruptcy for the NCRA. One NCRA study estimates that decommissioning the railroad, which, due to environmental regulations, would require the removal of the entire track as well as bridges and tunnels, would cost upwards of $170 million dollars. And since the Eel River Canyon, the most troubled section of line, cannot be reached by automobile, the railroad would have to be fixed before it could be removed. Ironically, the Southern Pacific had planned to do all this work when it proposed to retire the line in the 1980s. Now, it's the state's problem.

The fate of the railroad's remaining $40 million in state funds ultimately will be decided this summer when a budget is passed. Until then, railroad supporters and the NCRA will be lobbying hard for its funds. Support from the region's representatives in the Legislature will be vital. Darby Kernan, a member of Senator Wes Chesbro's (D-Arcata) staff, said that he is a strong supporter of the NCRA, but that several projects in the district are facing similar cuts in their traffic relief funds. Kernan said that the senator was trying to assist the transportation commission in developing a fair system to decide which projects would receive funding.

Of course, as former Assemblyman Hauser said, the NCRA could just "throw the keys" of the railroad at Governor Davis and California taxpayers. That ace in the hole means that whether or not the state has doubts about the NWP's potential economic stimulus, the viability of the NCRA's new geotechnical plan or the wisdom of introducing a major industrial plant into an environmentally sensitive watershed, it may find few options but to let the authority forge ahead. It can pay now — or it can pay more later. Whichever course it chooses, its lawyers had better prepare for a long, expensive ride.

Hank Sims is a freelance writer in Trinidad, California. Comments may be sent to **comments@californiajournal.com**

Salinas the listener



Simon Salinas' reputation as a listener will come in handy now that the he chairs the Assembly's Local Government Committee. With the state and local governments locked in battles over funding, Salinas will have plenty to hear.

By Larry Slonaker

Maybe it's because Simon Salinas was one of 12 children. Maybe it's because he once taught sixth-graders. Or perhaps it's because his political career started as a city councilman. Whatever the reason, Simon Salinas has a reputation as a patient listener.

That trait should come in handy, now that the Democrat from Salinas has assumed the chairmanship of the Assembly's Local Government Committee. He's going to need a whole reservoir of patience to hear out the gripes and grievances of California's local government officials, who are certain that the budget crisis will be

shifted to their weary backs. And there's reason to believe they're right. In his current budget proposal, Governor Gray Davis has proposed eliminating the vehicle license fee backfill to local governments — a propect that has local officials reeling.

"I sensed some frustration," Salinas said of the tone at a recent League of Cities meeting in Ontario. "It was like, 'Is anybody listening to us?'"

Well, says Salinas, that's why he's there. "We've got to know what the community is asking for. We've got to be able to listen, and to respond."

When it comes to local government, the affable, soft-spoken Salinas has been there and done that. In 1989, he became the first Mexican-American to be voted onto the Salinas City Council. Four year later, he was elected to the Monterey County Board of Supervisors; he was re-elected in

1997.

"My heart goes out to locally elected officials. I think their job is so tough," said Assembly Speaker Herb Wesson. "I wanted someone who would have a passion for local government. Simon, with his background and knowledge ... he was a natural."

Salinas, 47, has been getting practice in dealing with the disparate needs of local governments by getting around in his own 28th District. It has four boards of supervisors, from Monterey, San Benito, Santa Clara and Santa Cruz counties. Local governments in the district — ranging from the outskirts of Silicon Valley to the heart of Salinas Valley, and from the heavily retail outlets in Gilroy to the historical San Benito ranchos — have wildly different wants and needs.

"It's challenging, because you've got to deal with very diverse issues," Salinas said. "You just try to identify the core ones that are critical throughout."

Even on the local level, Salinas acknowledges some entities (San Benito County, for example) are "on the low end of the totem pole." Because of a quirk in taxation laws dating to the 1970s and Proposition 13, San Benito County and its towns receive less than 16 percent of their property tax revenue back from Sacramento. The return is the lowest in California.

So, you won't find many local officials there enamored of state government. But Salinas has actually made some inroads. One thing that's helped is his responsiveness. In 2000, Salinas was elected to succeed Peter Frusetta, "The Cowboy in the Capitol," as the district representative. According to Richard Scagliotti, chairman of the San Benito Board of Supervisors, the contrast has been stark.

"We had no representative for six years," Scagliotti said of Frusetta. "You'd call and nobody knew what you were talking about, or even cared. ... Now, when there's a problem, you can reach Simon and either get a meeting with him, or at least a response."

In his first term, Salinas brought home the bacon. Last session he introduced a measure — AB 2061 — that would allow the Salinas City Council to put a quarter-cent transactions and use tax on the local ballot to pay for projects such as a police station, a senior center or a swimming pool. The bill was ultimately signed by Governor Davis.

Gilroy Mayor Tom Springer also praised Salinas' listening ability. But Springer — who has political connections to Jane Howard, Salinas' opponent in last fall's election — also questioned the member's ability to solve problems and inspire others. It's fine to listen, but can Salinas get anything done?

Said Springer: "He's listening, but he's also following what the leadership does. Simon is not going to be the speaker of the Assembly. He's not that type of leader. I don't think he's going to be the one making crucial decisions."

Salinas took heat last year for seeming to avoid some decisions entirely. He passed on some committee votes, including a controversial patients rights bill. But he defended his non-action, saying he might support a bill "conceptually," but not in the form in which it comes to the committee.

"You tell the sponsor, 'Your idea's not ready yet. You've got to go back, work with some areas that need to be massaged.'"

When bills do make it to the Assembly floor, he added, he has been there to take a position. "There's been maybe a handful of votes I haven't taken," he said. "I'll take my licks ... you can't be ducking every hard bill."

Springer conceded that Salinas has made progress in making connections and learning the arcane machinations of Sacramento. "He's learning. He's come a long way in terms of growth up there."

Wesson agreed about Salinas' growth but defended his leadership abilities. "I disagree that he's not an 'answer man,'" Wesson said. "He's the kind of guy, if there's stuff that needs to be done, he does it."

It's a mistake to underestimate Salinas, Wesson said. "You've got to respect what he's done. You know, when he was in college, he was a welterweight boxer. It was the discipline he had to use as a boxer that makes him disciplined and tough and laser-sharp in doing other things."

Salinas learned to battle early. He was born in Slayton, Texas, the son of migrant farmworkers. The migrant experience clearly made a lasting imprint. "We traveled a lot, so we never felt like part of a community," he said.

But at the same time, the value of school was always stressed. "For motivating me to get an education and to succeed, I give my parents credit."

He graduated from Watsonville High School in 1974, and went on to earn a degree in political science from Claremont McKenna College. He later earned a bilingual teaching credential from San Jose State University, and then a law degree from Santa Clara University.

But instead of practicing law, he went back to teaching, heading up a sixth-grade class in Salinas.

He says he preached to his students the need to get involved in civic life, and in the late '80s he followed his own advice, becoming a plaintiff in a lawsuit that ultimately forced the city of Salinas to divide its city council into districts. In the first election under the new system, he was elected to the council.

Just three years later, a federal District Court decision required Monterey County to adopt a new district boundary map, creating a district in and around Salinas that was almost 70 percent Latino. He ran for that seat in the next election and won, becoming the first Latino to serve as a county supervisor there since Juan Bautista Castro, founder of nearby Castroville, who sat on the board from 1890 until 1893.

"The message is that redistricting does provide a level playing field," Salinas said after the election.

His political career continued a rapid rise. When the Republican Frusetta had to step aside because of term limits in 1999, Salinas ran for the seat against Jeff Denham, also of Salinas. He won relatively easily. (Denham went on to defeat Rusty Areias for the 12th Senate District seat last fall.)

In addition to chairmanships of the Local Government Committee and the Select Committee on Rural Economic Development, his assignments include the Transportation, Agriculture, Education, Health and Housing and Community Development committees.

Salinas is a single father, with his 12-year-old son living in Salinas. He says he prefers life in Salinas to Sacramento, but that may be at least partly due to the fact that he's living in a MicroTel. When he first arrived in the capital he roomed with fellow rookie Manny Diaz of San Jose. It was a running joke between them that fellow legislators kept mistaking one for the other.

The 28th Assembly District is overwhelmingly Democratic — about 52 percent to less than 30 percent Republican — and Latinos make up the majority. But within those categories, the range of characteristics is deep and wide. Representing the district is "challenging," Salinas said with a laugh.

Addressing the needs of local governments across the state will be a lot more challenging. He has targeted a long-term goal of getting the state to "provide a long-term, stable, adequate source of funding, so local government can do a better job of planning."

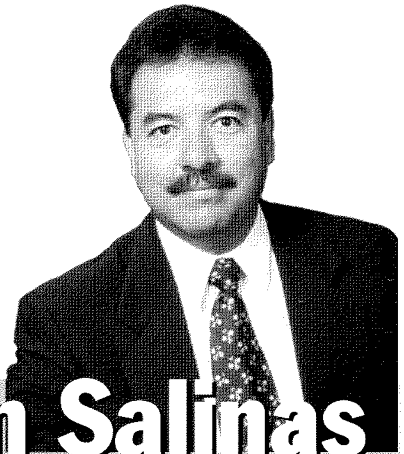
Then, unwilling to let those words linger in the air, he added, "It would be naive to think that can be accomplished overnight."

The first step for local governments, he said, in his district and elsewhere, is to overcome their differences when lobbying in Sacramento and provide as united a front as possible. "I tell them, 'Use a cooperative approach. Work things out if you can before you come to Sacramento to ask for help from the top down.'"

He suggests applying that approach to this year's budget issues. "Tell us where you would rather we cut, instead of us cutting something, and then you telling us, 'That was the wrong place.'"

In other words: You try to talk; he'll try to listen.

Larry Slonaker is a reporter with the San Jose Mercury News. Comments may be sent to **comments@californiajournal.com**.



Simon Salinas

Birthplace: Slayton, Texas

Education:

Santa Clara Law School, Jurisprudence Doctorate

San Jose State University, Bilingual Teaching Credential

Claremont McKenna College, BA

Career:

California Assemblyman, AD 28, 2000

Monterey Board of Supervisors, 1993-2000

Harnell Community College, 1989-93

Elementary school teacher

Salinas City Councilmember, Mayor Pro-tem, 1989

Teachers Union:

Meet the new boss

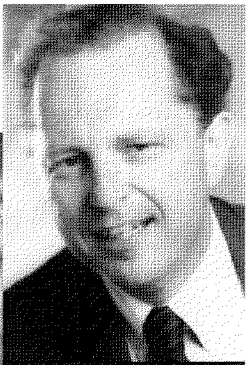
Barbara Kerr

For the California Teachers Association, 2002 was a difficult year. The influential teachers union saw a couple of its pro-union bills — notably AB 2160, which would have put textbook choice and curriculum in the collective bargaining process — go down in flames. The measure failed after Gov. Gray Davis came out against it. In turn, then-CTA president Wayne Johnson went to the press with a story about how Davis — in the midst of a policy discussion in the governor's office — hit up the CTA for a $1 million donation. It was hardball politics, no doubt; Johnson went public with the story during Davis' re-election campaign, accentuating Davis' ever-growing reputation as a fund raiser over all else. Almost a year later, it's clear the CTA — no matter how powerful — has some image work to do in the governor's office. That work will fall to **Barbara Kerr**, the newly elected president-elect of the union. Kerr was previously vice president of the 330,000-member CTA and, before that, worked in various capacities for the union since she joined the organization as a first-grade teacher in Riverside. **David A. Sanchez,** a Santa Maria kindergarten teacher and secretary-treasurer, was elected as vice president.

Campaign Watch

There's no shortage of Republicans rumored to be challenging California Sen. Barbara Boxer (D) in 2004. UPI's Capital Comment reported that radio show host **Michael Reagan**, son of former President Reagan, is considering a run at Boxer, as is **Rep. George Radanovich, Rep. Doug Ose, Rep. Darrell Issa**, California **Assm. Abel Maldonado** and radio talk show host **Dennis Prager**. Also considering a run for Senate is **Denise Brown**, sister of Nicole Brown Simpson. … A battle is shaping up for Democrat state Sen. Byron Sher's 11th District seat, which will open in 2004 after Sher is termed out. Former Palo Alto **Assm. Ted Lempert** is running in the March 2004 Democratic primary against his replacement, current **Assm. Joe Simitian**. Simitian was elected to the Assembly when he replaced the termed-out Lempert in 2000. Palo Alto school board member **John Barton** will run for Simitian's Assembly seat in 2004. … **Assm. Christine Kehoe**, who's termed-out in 2004, and former **Assm. Howard Wayne** are squaring off against each other in the Democratic primary for the 39th Senate district seat… **Assm. John Campbell** (R-Irvine) announced he is running for the 35th SD, which will be vacated by Republican Ross Johnson because of term limits. … A hot contest for Democrat Assm. Sarah Reyes' Fresno seat is shaping up, reports *The Fresno Bee.* Fresno County Supervisor **Juan Arambula** and **Andy Bustamante**, the brother of Lt. Gov. Cruz Bustamante, are considering runs at Reyes' seat. Reyes is termed-out of the Assembly in 2004. … Another closely watched race is the one for the 27th SD, which is currently held by **Betty Karnette** (D-Long Beach). Current Assembly Democratic colleagues **Alan Lowenthal** and **Marco Firebaugh** are expected to run for the seat, which will be vacated by the termed-out Karnette in 2004. Karnette, in turn, plans to run for Lowenthal's seat in the Assembly.

Christine Kehoe



Howard Wayne

Lobbying and PR

Beth Miller joins PR firm Barnes, Mosher, Whitehurst, Lauter & Partners. Previously, Miller worked as chief assistant secretary of state for Bill Jones. … **Robert Achermann**, formerly of lobbying firm Robert Achermann and Associates, joined Advocacy & Management Group. … Also switching to Advocacy and Management Group are **Jackie Miller** and **Tom Riley**, who both worked at Tom Riley and Associates. … **Michael**

Burns joined Kahl/Pownall Advocates from Burson Marsteller's public affairs practice. ... **Harry Osborne** joined California Healthcare Association from the Alliance of Catholic Healthcare. ... **Trent Smith**, former Assm. Patricia Bates' chief of staff, joined Edelstein & Gilbert. ... **Ignacio Hernandez** has left the office of Sen. Gloria Romero (D), where he was chief of staff, and is starting his own lobbying firm, Hernandez & Associates. ... **Paul Mason,** formerly of the Department of Environmental Protections in Garberville, has joined with the Sierra Club.

Lobbying:

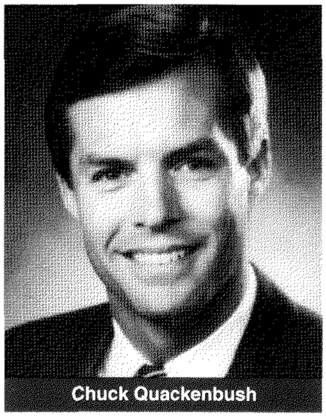
Veteran Republican gets Chamber post

Richard Costigan

To say that **Richard Costigan** has experience in state government would be an understatement. Before beginning his lobbying career with Mannatt, Phelps, & Phillips, Costigan worked as a chief of staff for both Assm. Bill Campbell and Assm. Dave Cox, both Republicans. He was also policy director for GOP Assms. Rod Pacheco and Scott Baugh. Costigan's political pedigree will likely serve him well in his new job — as vice president of government relations with the California Chamber of Commerce.

Government

Gov. Gray Davis hired two new deputy directors for the Department of Finance. **Stephen Larson** will be deputy director, budget, and **David Takashima** will be deputy director, policy. Larson was previously executive director of the California Energy Commission, while Takashima worked formerly as a lobbyist for Pacific Gas & Electric. ... Assm. Mark Leno named **Kathleen Ragan** counsel to the Public Safety Committee. Ragan was previously a civil rights attorney with the U.S. Dept. of Housing and Urban Development. ... Insurance Commissioner John Garamendi has named **Ida Tsujikawa Zodrow**, formerly Washington state Health Care Authority administrator, as his new asst. chief deputy of the operations branch. Garamendi hired **Gary Cohen** to be general counsel of the department, the same position Cohen held at the Public Utilities Commission. ... Also new at the Insurance Department is **Beverly Hunter** as the acting deputy commissioner of policy and planning. Hunter comes from Assm. Jenny Oropeza's (D) office. ... **Mitchel Benson**, former Sacramento-based *Wall Street Journal* reporter, joined Treasurer Phil Angelides' office as communications director. ... Sen. Romero has hired **Cary Rudman** as her new chief of staff. Rudman previously ran his own strategic planning and lobbyist firm, Cary J. Rudman and Associates, and formerly worked as a counsel for ex-Speaker Willie Brown. ... Sen. Denise Moreno Ducheny (D) has hired **Wendy Mitchell** as her chief of staff. Mitchell formerly worked for Ducheny in the Assembly as the budget consultant for resources. Also, **Anna Ferrera** — formerly with the Senate Office of Resources — joined Ducheny's office as policy director.



Chuck Quackenbush

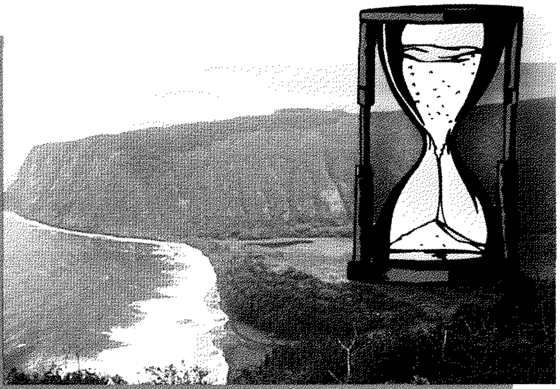
Other

Timothy Buresh was named chief operating officer of Los Angeles Unified School District. Buresh was formerly director of construction and engineering for the Alameda Corridor Transportation Authority. ... Former California Insurance Commissioner **Chuck Quackenbush** opened a political consulting company in Hawaii and has become an adviser to Republicans in the statehouse there. Quackenbush resigned from the Department of Insurance under threat of impeachment in June 2000. ... The Bush Administration nominated **James V. Selna** to be U.S. District Judge for the Central District of California. ... UC Berkeley named former Assm. **Dion Aroner** legislator-in-residence. ... Assm. **Carol Liu** was elected to the National Legislative Board. ... The California Energy Commission named **Robert Therkelsen** executive director. He was previously chief deputy director.

Who's filling what jobs in your office? Drop us a line at **people@californiajournal.com.**

Coastal Commission:

The fight for control



When the 3rd District Court of Appeal in Sacramento ruled in late December that Senate and Assembly leaders have too much sway over the Coastal Commission, both houses of the California Legislature swung into action to protect their rights to oversee the board. The Commission is currently made up of four appointees from the Senate, four from the Assembly and four from the governor. Instead of serving fixed terms, the members are appointed, and removed, at the whim of the governor and Legislature. That make-up, said opponents, is unconstitutional and promotes a regulation process that's too political. In fact, the court ruled that legislative leaders have too much power over the agency. The Legislature's fix started when Assm. Hannah Beth-Jackson (D-Santa Barbara) introduced fast-track legislation, AB 1xx, which would require the legislative appointees to serve fixed two-year terms. Her measure passed the Assembly, 49-29. The Senate amended the legislation to require commissioners to serve fixed four-year terms and passed it, 25-14. If the Assembly adopts the amendments, the plan will move to the governor.

SB 12 (Bowen) Spam: Prohibits the sending of unsolicited commercial email, or "spam," from California or to a California electronic mail address. Would allow recipients to sue senders of such email for $500 for each unwanted email.

SB 38 (Denham) Organ donors: Would require the Department of Motor Vehicles to allow an organ donor to indicate whether he or she would prohibit a donation to any person who is incarcerated.

SB 72 (Dunn) Independent System Operator: States the intent of the Legislature to remove control of California's electricity transmission system from the Independent System Operator.

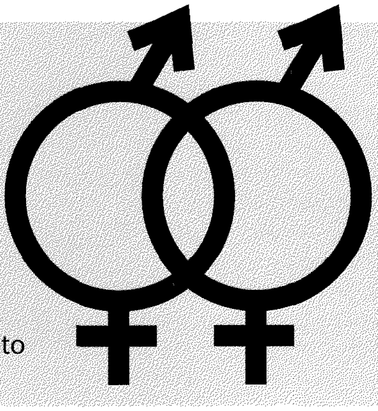
AB 136 (Kehoe) Disability: Extends mandatory full-pay disability leave from one year to two years for most police officers and firefighters.

AB 221 (Koretz) Smoking: Raises the legal age to purchase and consume tobacco products to 21 in California.

AB 156 (Maze) Central Valley UC: Authorizes $1.2 million to study possible locations for a University of California campus in the southern San Joaquin Valley. Requires Fresno, Kern, Tulare and Kings counties to contribute a combined $300,000 to the study.

AB 158 (Runner) Crystal meth: Makes it illegal to possess antiseptic iodine with the intent to manufacture methamphetamine. Wouldn't apply to veterinarians, pharmacists or consumers for medical purposes. Evidence would have to show intent to manufacture crystal methamphetamine.

Domestic partnerships



Assm. Jackie Goldberg (D-Los Angeles) introduced legislation that would offer the same legal rights as traditional married couples to same-sex couples who register with the state as domestic partners. The bill, AB 205, also requires that California recognize legal unions formed in other states as valid domestic partnerships in this state. Opponents of the measure say that the voters already decided on this issue in 2000 when they approved Proposition 22, which limited marriage to unions between a man and a woman.

Let's Think Recovery

1. Attorney General Bill Lockyer
Teaching Credential
CSU Hayward

2. Jack O'Connell
State Superintendent of Public Instruction
Bachelors, CSU Fullerton
Teaching Credential, CSU Long Beach

3. State Senator Jim Brulte
Bachelors, Cal Poly Pomona

4. State Senator John Burton
Bachelors, San Francisco State

5. State Senator Wesley Chesbro
Attended, Humboldt State

6. State Senator Gloria Romero
Masters, CSU Long Beach

7. State Assemblymember Russ Bogh
Bachelors, CSU San Bernardino

8. State Assemblymember Manny Diaz
Bachelors, San Francisco State

9. State Assemblymember Mervyn Dymally
Bachelors, CSU Los Angeles
Masters, CSU Sacramento

10. State Assemblymember Jerome Horton
Bachelors, CSU Dominguez Hills

11. State Assemblymember Carol Liu
Bachelors, San Jose State

12. State Assemblymember George Nakano
Bachelors & Masters, CSU Los Angeles

13. State Assemblymember Jenny Oropeza
Bachelors, CSU Long Beach

Attended CSU But Not Shown

Lt. Gov. Cruz Bustamante
Attending, CSU Fresno

State Senator Richard Alarcon
Bachelors, CSU Northridge

State Senator Roy Ashburn
Bachelors, CSU Bakersfield

State Senator Jeff Denham
Bachelors, Cal Poly, San Luis Obispo

State Senator Dennis Hollingsworth
Attended, Cal Poly, San Luis Obispo

State Senator Ross Johnson
Bachelors, CSU Fullerton

State Senator Betty Karnette
Bachelors & Masters,
CSU Long Beach

State Senator Bruce McPherson
Bachelors, Cal Poly, San Luis Obispo

State Senator Kevin Murray
Bachelors, CSU Northridge

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State Senator Thomas "Rico" Oller
Bachelors, CSU Stanislaus

State Senator Charles Poochigian
Bachelors, CSU Fresno

State Senator Edward Vincent
Bachelors, CSU Los Angeles

State Assemblymember Patricia C. Bates
Graduate studies, CSU Long Beach

State Assemblymember John J. Benoit
Bachelors, CSU Los Angeles
Master, CSU San Bernardino

State Assemblymember Patty Berg
Bachelors, CSU Los Angeles

State Assemblymember Rudy Bermudez
Masters, CSU Long Beach

State Assemblymember Ed Chavez
Teaching Credential, CSU Los Angeles

State Assemblymember Ellen M. Corbett
Attended, CSU Hayward

State Assemblymember Lou Correa
Bachelors, CSU Fullerton

State Assemblymember John A. Dutra
Bachelors & Masters, San Jose State

State Assemblymember Shirley Horton
Bachelors, San Diego State

State Assemblymember Rick Keene
Bachelors, CSU Chico

State Assemblymember Tim Leslie
Bachelors, CSU Long Beach

State Assemblymember Lloyd E. Levine
Masters, CSU Sacramento

State Assemblymember Ken Maddox
Bachelors, Cal Poly Pomona

State Assemblymember Abel Maldonado
Bachelors, Cal Poly, San Luis Obispo

State Assemblymember Barbara Matthews
Bachelors, San Jose State

State Assemblymember Bill Maze
Bachelors, Cal Poly, San Luis Obispo

State Assemblymember Kevin McCarthy
Bachelors & Masters, CSU Bakersfield

State Assemblymember Robert Pacheco
Bachelors, CSU Los Angeles

State Assemblymember Fran Pavley
Bachelors, CSU Fresno

State Assemblymember George A. Plescia
Bachelors, CSU Sacramento

State Assemblymember Sarah L. Reyes
Bachelors, CSU Fresno

State Assemblymember Simon Salinas
Teaching Credential, San Jose State

State Assemblymember Steven N. Samuelian
Bachelors, Cal Poly Pomona

State Assemblymember Leland Yee
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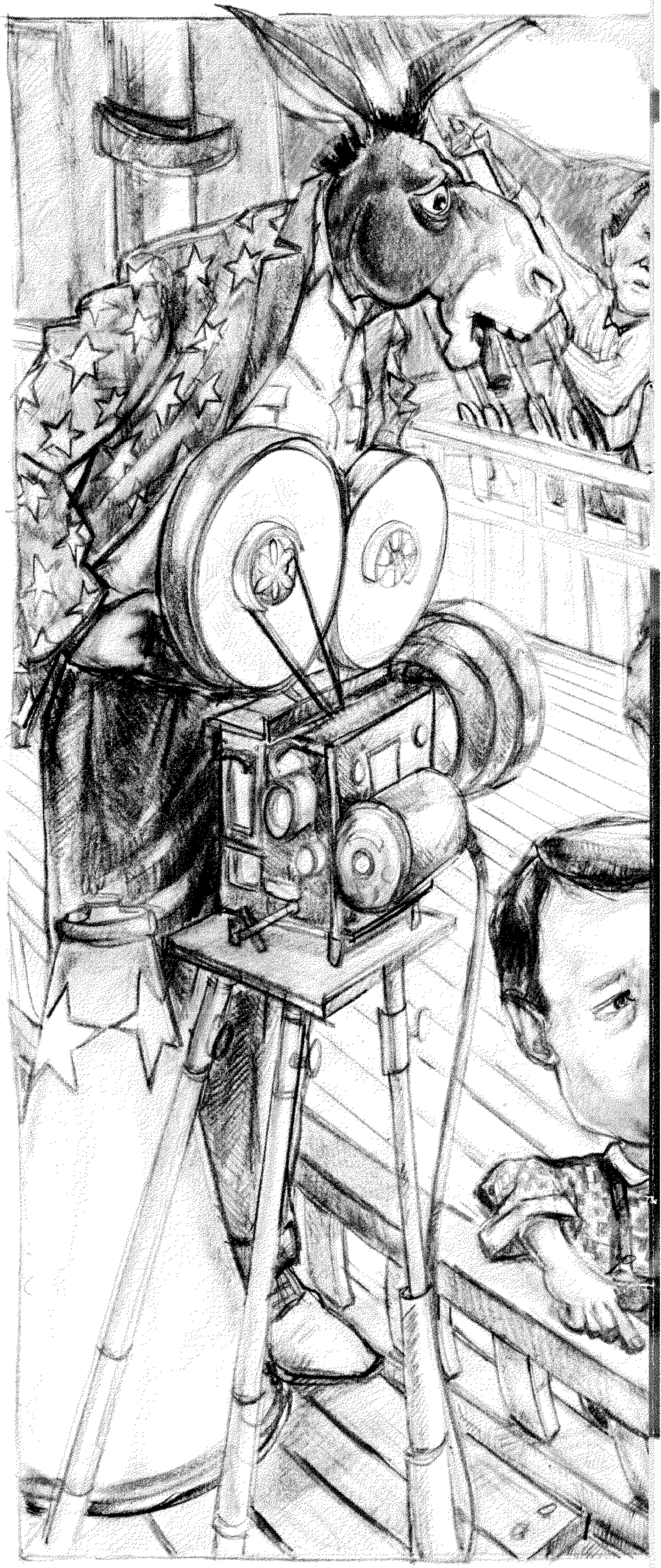
Here come the Democrats

The Democratic presidential primary will likely be over before it arrives here next March. But even before Iowa's opening caucus, the front-runners will be set by the cash they raise. That's where California comes in.

By Beth Fouhy



It's a Wednesday morning in mid-January, and John Kerry is in California. The Massachusetts senator is running for the 2004 Democratic presidential nomination, and this is his 12th trip to Northern California in just two years. The first major campaign contest — the Iowa caucuses — is still a year away.

Kerry is starting his day at a breakfast at the Decathlon Club in Sunnyvale, the first event in a packed schedule. It's one of those stunning California winter mornings that must dazzle a snow-sensitized northerner like Kerry— warm weather, crisp air, attractive people playing tennis on outdoor courts. But from a presidential candidate's perspective, what's more dazzling is the crowd of high-powered folk assembled to hear Kerry speak. They number about a hundred — mostly white, mostly male, a cornucopia of venture capitalists, high-tech attorneys and outright gazillionaires (including Steve Kirsch, the founder of Infoseek and one of the Democratic Party's largest donors). The meeting is a testament to the strong organizational skills of Kerry's Silicon Valley point men, venture capitalist Mark Gorenberg and Santa Clara County Assessor Larry Stone.

Kerry moves about this crowd with ease, shaking hands, recognizing many faces. His speech is a smooth

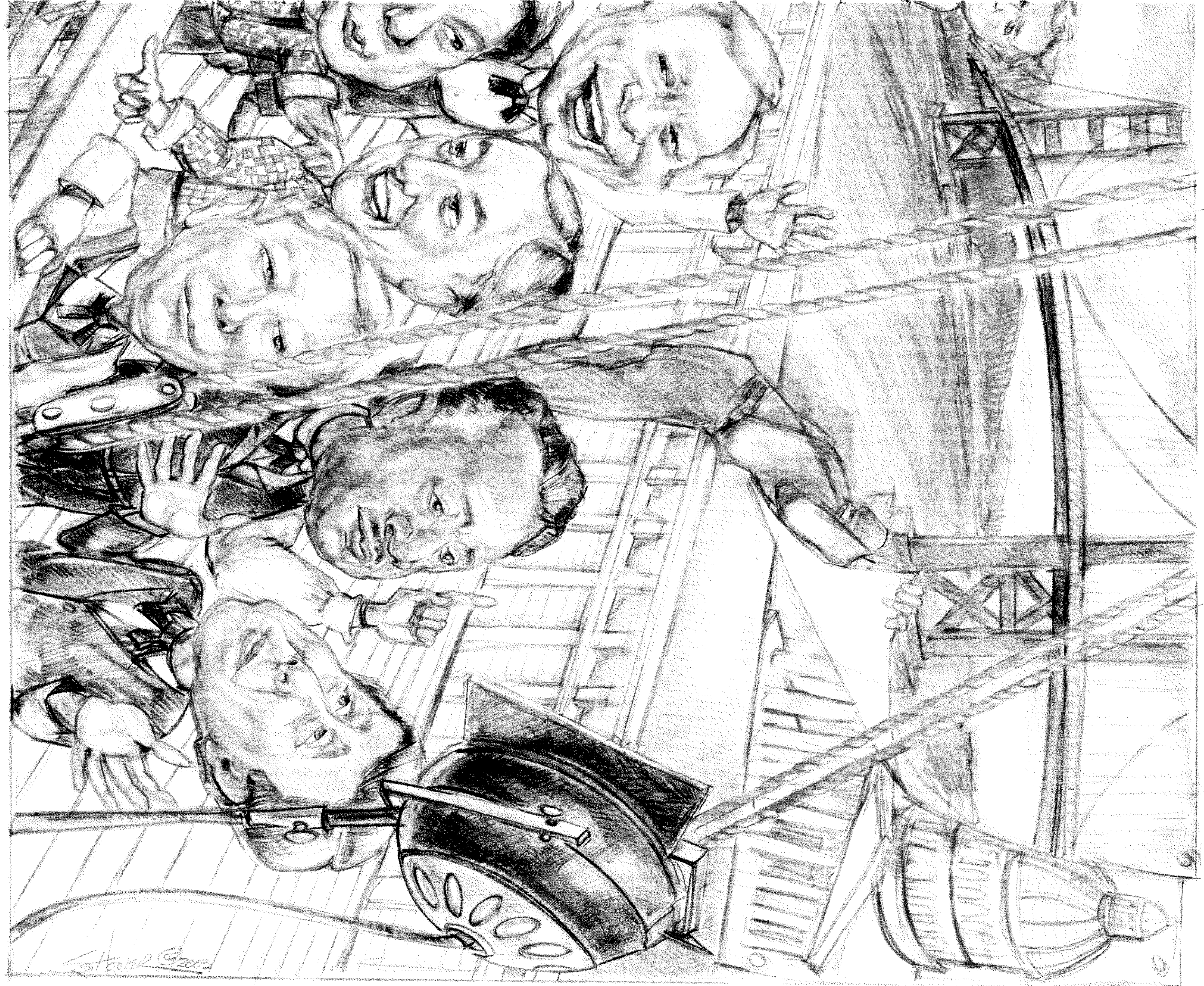
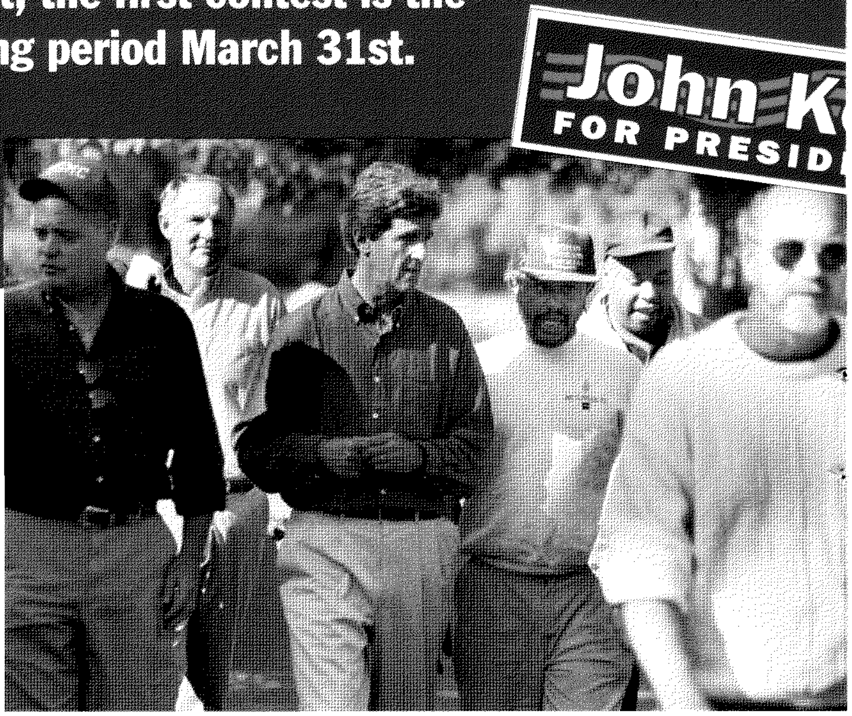


Illustration by Sandra Hoover

"Iowa isn't the first contest; the first contest is the end of the first quarter filing period March 31st. The elite press will just measure the money."
— John Kerry



Massachusetts Senator John Kerry

blend of domestic and foreign policy issues, California concerns, and jabs at President George W. Bush. When it's time to make the money pitch, his message is clear: "I need you all to help a lot. Iowa isn't the first contest; the first contest is the end of the first quarter filing period March 31st. The elite press will just measure the money."

That assessment is undoubtedly correct, which is why Kerry is in California in the first place. Simply put, there is a lot of gold in the Golden State, making it an essential (and frequent) destination for national candidates. The tech entrepreneurs of the Silicon Valley and movie moguls of Southern California have made the state, in the words of Democratic strategist Joe Cerrell, the "big ATM machine in the sky." More political money comes from California than any other state, according to the Center for Responsive Politics.

Kerry's trips to Northern California have brought in $1.2 million so far. He'll return for two fund-raising galas in Southern California and one in San Francisco on the eve of the state Democratic Party convention March 14. Party officials expect many of the announced Democratic contenders — Kerry, former Democratic House Leader Dick Gephardt of Missouri, Connecticut Senator Joe Lieberman, North Carolina Senator John Edwards, former Illinois Senator Carol Mosley-Braun, Ohio U.S. Representative Dennis Kucinich, former Vermont Governor Howard Dean and civil rights activist Al Sharpton — to attend the convention.

The Democratic field is expected to evolve in the coming weeks. Among those who say they're considering a White House bid are Connecticut Senator Christopher Dodd, Florida Senator Bob Graham, Delaware Senator Joseph Biden, former Colorado Senator and Gary Hart.

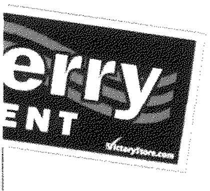
"The presidential candidates are interested in California because there is a lot of Democratic money here," says Donnie Fowler, the Democratic representative for TechNet. "One of them said to me recently, 'I have my political director call New Hampshire. I have my finance director call California.'"

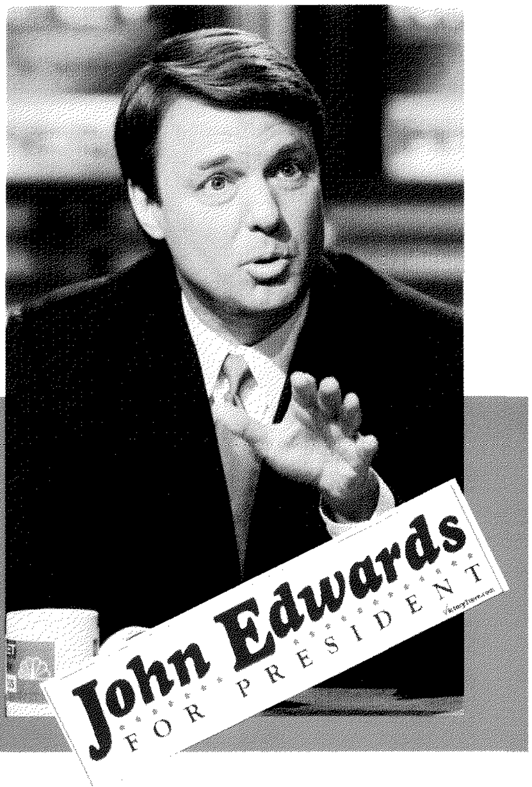
That sentiment is shared by many political forecasters, who see 2004 as yet another year in which California — the nation's most populous state — dispenses enormous amounts of campaign cash while being relegated to a minor role in the presidential selection process overall. Since 1992, California has been reliably Democratic in the general election, making it the essential cornerstone of the party's electoral strat-

Richard Gephardt with Nancy Pelosi

Dick Gephardt
FOR ★ PRESIDENT

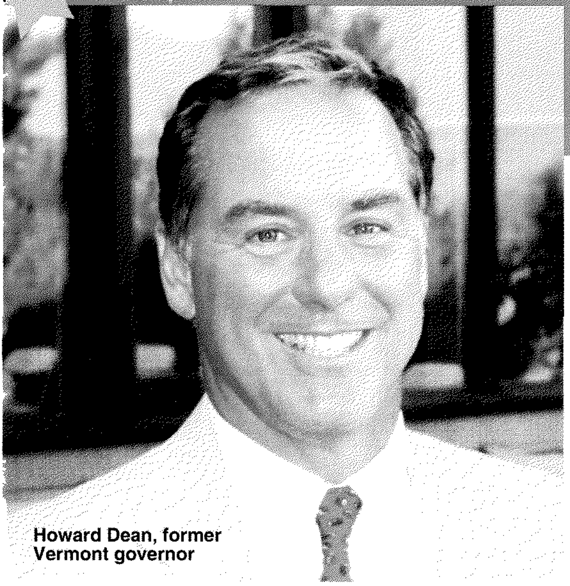
egy. But the state hasn't been a major player in either party's presidential nominating contest since1972. Legislators have tried to change that by moving the state's primary from June to early March. But the rest of the calendar has become so front-loaded that nominating battles have typically been resolved in February, in places like Iowa, New Hampshire, Michigan and South Carolina. Even tiny Delaware has played a bigger role than California in recent years.





John Edwards, North Carolina Senator

> **"... Candidates are much more familiar with the Silicon Valley and Beverly Hills than they are with Fresno."**
> **— Bill Carrick**



Howard Dean, former Vermont governor

But there is some hope this time that the tight primary schedule, plus the large and potentially growing field of candidates, could actually boost California's chance to have a say in the contest. Some observers predict a fractured scenario in which individual candidates do well in early contests where they hold a regional advantage (Kerry in New Hampshire, for example, and Edwards in South Carolina) but no clear front-runner is able to emerge before March. "California could be the make-or-break state," says Garry South, the longtime political adviser to Governor Gray Davis. And while South is generally bullish on the current Democratic field, he's not sure anyone in it is a perfect "fit" for California. "Not to disparage them," he says, "but I don't think any has a natural base."

For now, the candidates are focusing on the California cash machine, and leaving much of the base-building for later. "What it means," says Bill Carrick, a Los Angeles-based media consultant working for Gephardt, "is that candidates are much more familiar with the Silicon Valley and Beverly Hills than they are with Fresno."

Gephardt himself is probably better positioned in Fresno than any other candidate. While he skillfully works the Hollywood fund-raising circuit, his years as House Democratic leader have also given him substantial grassroots and labor union connections in congressional districts up and down the state. "Labor will be huge in California," says Sky Gallegos, who was western states political director for the Al Gore campaign in 2000. "But," she asks, "is Gephardt a modern enough Democrat for this state?"

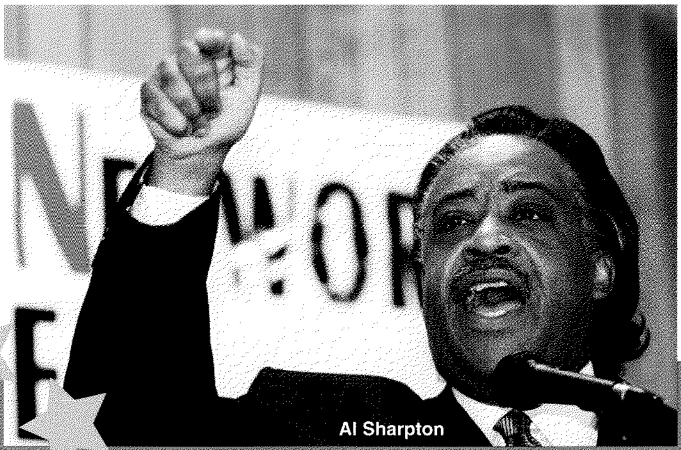
From his stint as Gore's running mate in 2000, Lieberman starts with the highest name recognition of any Democrat. The Gore-Lieberman ticket scored a huge victory in California, spending very little in the general election and still winning the state by 12 points. The Bush campaign spent about $15 million in California, only to be resoundingly thumped.

Lieberman, like Kerry, is well regarded in Silicon Valley, where TechNet's Fowler calls him "the best U.S. senator on tech issues." He also has a natural base among many of the state's Jewish voters. But his crusade against the entertainment industry for excessive sex and violence has never made him popular in Hollywood. And because of his relatively conservative record, particularly on foreign policy, "the more liberal Jews and other Democrats will gravitate toward Gephardt and Kerry," says Dick Rosengarten of *California Political Week*.

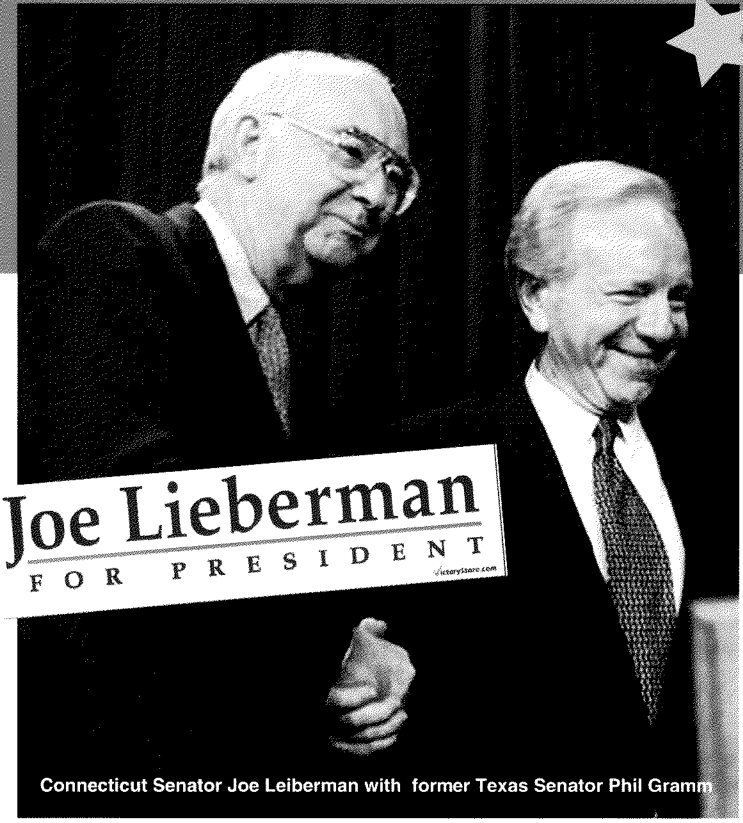
Edwards, a former trial attorney, has been a frequent visitor to California over the last two years and benefits from deep connections to other trial lawyers. His California co-chairman is powerhouse attorney Joseph Cotchett of Burlingame. Tom Girardi, best known as one of the attorneys on the famed "Erin Brockovich" case, is also a key point man in Southern California. "It's a project of love for me," says Girardi. "He's the person with the best chance to beat our current president."

Dean is little known in California, but his expertise in health policy (he is a physician by training) plus his no-nonsense style have caused some Democrats here to take notice. His blunt opposition to a U.S. war with Iraq has won praise among many of the state's peace activists; he's also well regarded in the gay community, after passing landmark legislation in Vermont granting civil unions to gay couples. On a recent trip to Los Angeles, Dean lunched with actor Martin Sheen, met with director Rob Reiner's political advisers, and eventually won endorsements from both celebrities. He also attended a fund raiser with gay and lesbian activists, met with Silicon Valley executives and made the rounds in Sacramento.

Sharpton, perhaps the field's longest shot, will appeal to some members of the state's African-American community. But blacks represent just five percent of likely voters here, and privately, many black activists say they will support a candidate with a better chance to beat President George Bush. Sharpton, however, is a powerful speaker, and observers say he has the potential to nudge the overall campaign dialogue to the left. Sharpton addressed the California Democratic Party last summer, and preached at a San Francisco Baptist church in February.


Al Sharpton

> **"I hope Bush does come out and contest California, because he's done nothing but screw this state since the day he was sworn in." — Garry South**



Connecticut Senator Joe Leiberman with former Texas Senator Phil Gramm

Still, there remains a lurking question of whether Democrats have more to worry about in California than who picks up the most cash. Since1992, the state's mother lode of electoral votes has been essential to Democrats' general election arithmetic. The party cannot win the White House without carrying California.

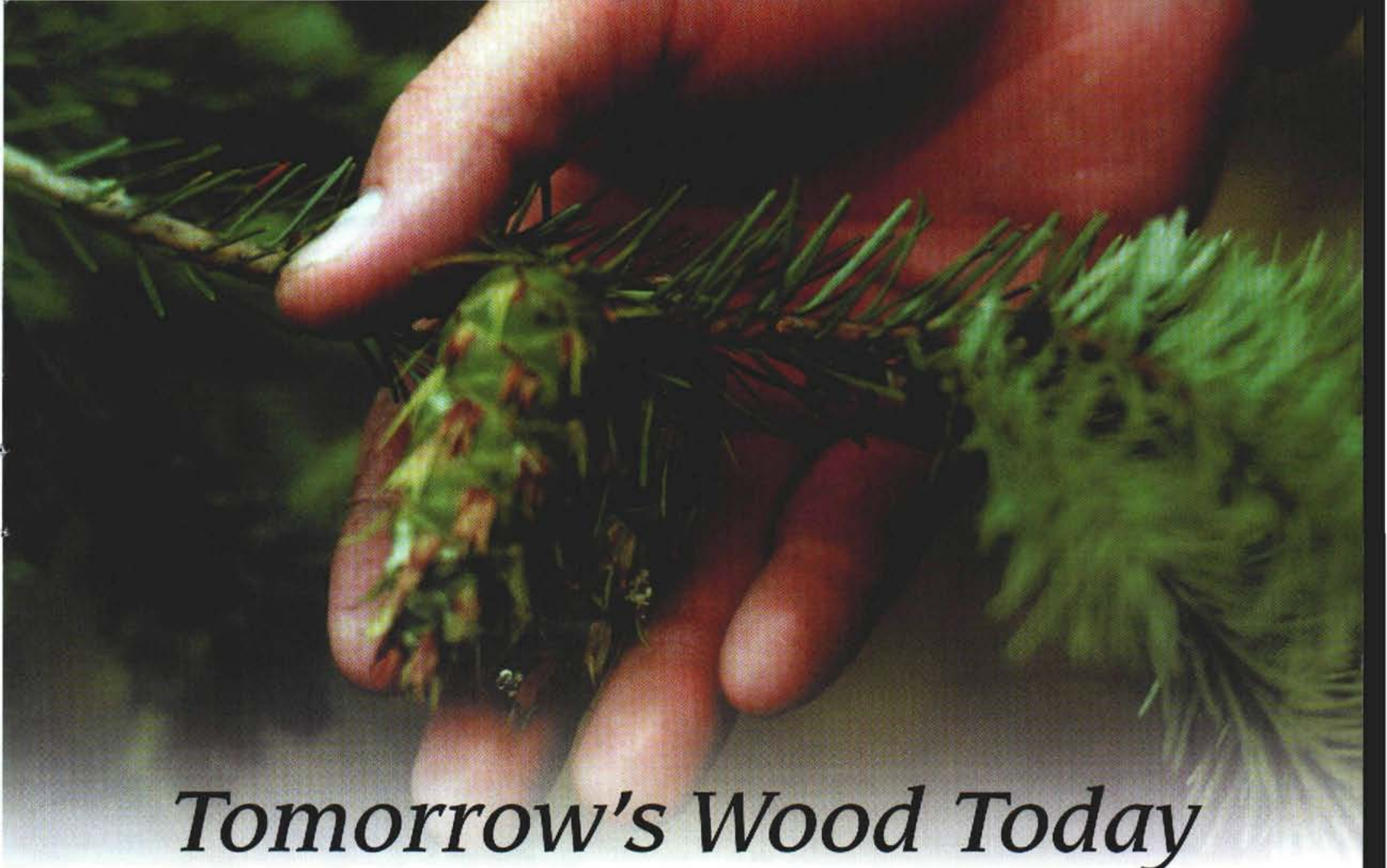
Mark DiCamillo of the Field Poll says any Democratic complacency about the state could be fatal in 2004. "The president is not the same George Bush as he was in 2000," he explains. DiCamillo points to a September 2002 Field poll of California voters, where two-thirds of those surveyed said they would consider voting for Bush or would definitely vote for him in 2004. While the president's once sky high, post-9/11 approval ratings have slipped recently, DiCamillo argues that his popularity, combined with the blame Californians are likely to heap on Democratic lawmakers for the state budget crisis, give Republicans at least a glimmer of hope to capture California. Says Joe Cerrell, "If the next call I got was from [Bush political strategist] Karl Rove, I'd say to him, 'I wouldn't write it off.'"

Gephardt adviser Bill Carrick disputes that assessment. "Bush treats California as the third galaxy left of Uranus," he says. "He doesn't come here. Their attitude is it's just a lot of trouble." Garry South is even more blunt: "I hope Bush does come out and contest California, because he's done nothing but screw this state since the day he was sworn in." South points to examples like Bush's plan for oil drilling off the California coast and the uncompensated costs to California of providing port security since the 2001 terrorist attacks. "Every day he puts us in deeper do-do," says South.

South, who won accolades in 2002 for orchestrating Davis' re-election victory despite the national GOP tidal wave, has become one of the presidential candidates' most sought-after strategists. But for now, he plans to train his sights on President Bush by forming an independent fundraising committee, or "527," that can legally receive large cash donations. (Unregulated "soft money" donations to political parties were recently banned by the new McCain-Feingold law.)

"Is the president the same Bush as he was in 2000? Clearly no," says South. "But the Bush of 2004 won't be the Bush of 9/11, either."

Beth Fouhy, former executive producer of political coverage for CNN television, is a freelance writer in Palo Alto. Comments may be sent to **comments@californiajournal.com**.



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